



# France gets its cake, and eats it



**French  
Privatisation**

free to buy shares on the open market.

However, the incident serves as an apt illustration of France's ambivalent attitude to privatisation. The French are undoubtedly keen to attract investment from foreigners

to France in this autumn's sales.

"French stocks are not cheap at the moment and many European investors, particularly in the UK, are already overweight in France, but there is still strong interest in many of

appealing. It might also lessen the risk of foreign investors switching cash from existing French holdings into privatization stocks by persuading them to bring new money into France.

CHANCELLOR Helmut Kohl and Hans Rudolph Scharping recently elected leader of Germany's opposition Social Democrats (SPD), met behind closed doors yesterday for wide-ranging talks, fuelling press speculation that they will be forced to form a grand coalition government in the year 2000.

Both politicians have been flatly rejected the idea, each insisting that he is campaigning for outright victory, but the very fact that they are prepared to meet and talk privately has stoked the overheated rumour mill in Bonn.

The fact that both men belong firmly in Germany's tradition of consensual politics, where cross-party compromises are the regular answer to resolving their conflicts. It also confirms Mr Scharping's style as the new opposition leader, in which he is determined to demonstrate that his party is capable of forming an alternative government.

The talks, the first since Mr Scharping was elected SPD

party leader in June. Lasted 90 minutes and when he emerged Mr Scharping said they covered "everything currently on the political agenda".

They were set to discuss the current state of the German economy, and how to stem the rapid rise in unemployment. The ruling centre-right Christian Democratic industrialists' party, in spite of the fact that both signed the cross-party solidarity pact last March on financing unification, both are now keen to stress their different economic policies.

There is room for manoeuvre. The issue of German participation in UN peacekeeping exercises Mr Scharping is clearly attempting to push his party, with a strong anti-military, pacifist wing, into permitting wider international participation for the Bundeswehr.

The SPD and Mr Kohl's Christian Democrats are condemned to reach compromises on any issues which require close German-Germany co-ordination – such as privatisation of state companies, including Deutsche Telekom and the railways. They also

have to negotiate on issues which require the approval of the Bundesrat, the upper house of the German parliament, where the SPD has an effective majority.

Mr Kohl therefore needs Mr Scharping's support if he is to gain approval for his entire package of budget cuts, although the majority can be passed by the Bundestag, the lower house, alone. He also needs support for plans to launch a new social security system to pay for residential care for the old and handicapped: the government's current plan is to finance the scheme by cancelling paid sick leave for workers has been furiously opposed by the unions.

They also needed to discuss three key appointments, including the election of a new federal president to succeed Mr Richard von Weizsäcker next year.

Mr Klaus Kinkel, foreign minister and leader of the Free Democrats, who would be excluded from any grand coalition, said he would meet Mr Scharping on Friday.

are grievance against the French government by companies who have invested on foreign investment in its privatisation programme.

The object of Mrs Harriman's criticism was the amendment to the government's privatisation bill to limit investors outside the French financial community to a maximum of 20 per cent of the shares in privatised companies.

The US lobby argued that the 20 per cent rule was a protectionist measure reminiscent of the treatment meted out to foreign investors in the French financial markets.

The amendment survived and is now enshrined in the legislation which will shape the new privatisation programme. The 20 per cent rule will really set an irrevocable limit on the number of non-French investors who can be involved at the time of the original issue and non-FEC investors will then be

as an international financial centre. They are still anxious to protect privatised companies from the rigours of life in the private sector, particularly from the threat of 'foreign predators', whether they are from inside or outside the Channel Tunnel.

One of the main achievements of the last centre-right government's 1986-1987 privatisation drive was its success at attracting foreign investment. Until then it had been difficult for foreign investors to buy shares in France, and so many large companies were privately-owned or state-controlled.

The privatisations gave investors away into the Paris market at a time when the UK market funds were pursuing pension funds and other institutional investors in the proportion of French shares in for-

First, the financial prospects for French companies are more precarious than they were in the buoyant mid-1980s. At the same time, the privatisation market is more competitive, with an estimated 1,000bn (387bn) of state shares currently scheduled to come on to the market in Europe.

Second, whereas foreign investors needed to build up French portfolios in the mid-1980s, they now have substantial French long holdings. Waterbury estimates that the French share represents 23 per cent of the values of all continental Europe equities, but 36 per cent of the average continental portfolio.

However, most brokers and bankers are confident that foreign investors will be willing to increase their commitment

Interest from the US is also likely to be high given that many institutions are in the throes of "internationalising" their portfolios, just as their UK counterparts did during the last privatisation drive. There are even hopes of a strong response from Japan.

"Japanese investors are interested in France, interested in privatisation and, at this time, in the cycle that is going to buy," said Mr Alain Cellier, chief executive of Nomura in France. "There is only one caveat—the strength of the yen."

The recent fall of the franc and the rise of the Far East stock market, the CAC 40 is going down last week at record 2,149.93—should make French equities seem even more

The 20 per cent rule is probably the least effective of the government's defensive policies. The other main plan is to establish networks of sympathetic *notarys*, *nouveau durs*, "hard core" investors, to support the newly-privatised companies and to introduce "golden shares" to some stocks thereby enabling the state to block takeovers indefinitely.

The experience of the last batch of French privatisations suggests that such measures may not be necessary. The only one of the mid-1980s privatisations to have come under attack was the Société Générale, in an unsuccessful raid mounted in 1986 by Mr Georges Pébereau, the French financier.

**CONSUMER** confidence dropped to record lows in the European Community in June, after slight signs of recovery the previous month, the European Commission said yesterday. Reuter reports from Brussels.

The drop took the EC's measure of consumer confidence back to the level recorded in March and April.

"The loss of confidence is particularly discernible in Spain, Italy and Portugal," said the survey, adding that Spain and Portugal recording new lows.

"Taking the average for the Community, consumers view their current and future financial situations more pessimistically in June than in previous months."

"They are even more sceptical about the general economic situation," says half of the opinion that the situation had deteriorated further in June compared with the same month last year."

The Commission said there was also a distinct absence of cheer from consumers looking at the next 12 months.

As a result of recession, industry, too, saw the future as gloomier, the Commission said.

The leading economic indicator for the European Community also dipped to a record low in June after a slight rise in May, losing 0.5 of an index point to 85.6, the Commission said. The previous record low of 86.7 was set in March.

KURDISH rebels kidnapped two British tourists from a bus in south-east Turkey but later abandoned them when they themselves came under fire from government troops yesterday, Reuters reports from Ankara.

The Kurdistan Workers Party (PKK) was still holding seven other tourists - three Swiss, one Italian, two Germans and a New Zealander - seized this month to draw attention to their separatist campaign in Turkey's south-east.

A diplomat said the Britons, a man and woman, were seized at a rebel roadblock near the town of Kozluk in Batman province on the evening of July 10.

Their kidnappers forced them to walk into the mountains, where they were joined by two Turkish hostages.

They spent the night in the relative safety of the mountains, but the rebels turned loose in the morning when security forces fired on the area, making their way to the town of Batman.

The rebels killed eight guerrillas in clashes with the kidnappers, the emergency rule governor's office said.

The PKK has abducted a total of 100 foreigners since 1981 but has released all unharmed, except the seven.

On August 10 the rebels freed four Frenchmen, a Briton and an Australian taken in two



**Russian President Boris Yeltsin and Georgian leader Eduard Shevardnadze meeting at the Kremlin to ease regional tension**

**THE Russian president, Mr Boris Yeltsin, and the Georgian leader, Mr Eduard Shevardnadze, agreed yesterday to sign a comprehensive treaty restoring peace in war-torn Abkhazia, agencies reported, Reuter reports from Moscow.**

friendship and co-operation agreement between the two former Soviet republics would be signed in September in the Georgian capital, Tbilisi, after a final round of talks.

"Both of us have expressed satisfaction with the first steps towards a ceasefire and the terms for a final settlement of

the conflict," the agency quoted Mr Shevardnadze as saying. The two leaders also discussed ways of helping about 140,000 refugees, who fled the breakaway Abkhaz region over the last 12 months, to return home safely, it said.

Mr Shevardnadze said repatriation of refugees was "per-

haps the most acute problem after last month's ceasefire in the conflict. He added that the future Georgian state would be determined by a new constitution. Russia, which has strategic interests in the Transcaucasus, helped to mediate the peace deal between Georgia and Abkhazia.

**By Leyla Boulton in Moscow  
and Matthew Kaminski  
in Vilnius**

sure through a third country can only cause a negative reaction," Mr Vyacheslav Kostikov was quoted as saying by Interfax news agency.

Lithuania appealed for international help after the Russian foreign ministry issued a surprisingly harsh statement telling Lithuania it no longer considered itself bound to complete a troop pull-out by August 31. Russia said it would withdraw over a period which was "convenient to it" and which Lithuania would be informed of in due course.

The statement accused Lith-

uania of blocking an agreement and hinted it was annoyed by Lithuanian demands for compensation for damage done by five decades of Soviet occupation.

"Democratic Russia is not responsible for the totalitarian repression of Stalinism. It suffered itself," Mr Kostikov said.

While only 2,500 Russian soldiers are left in Lithuania, mainly support staff based in the western port city of Klaipeda, Lithuanian officials said they feared Russia might bring back more troops to strengthen its position.

"We are prepared for the

He also expressed a desire to compromise, without condemning the Russian stance.

AZERI troops yesterday pulled out of a key town near the Iranian border yesterday in another victory for the Armenian forces from the disputed enclave of Nagorno-Karabakh. Reuter reports from Moscow.

Spokesmen for both the Azerbaijan Defence Ministry and the Nagorno-Karabakh administration said the defence forces overran the town of Fizuli, a town of 40,000 people under siege for days by Armenians occupying the hills on three sides. The latest victory brought the Armenians closer to the town of Yevlakh, from western corner of Azerbaijan, home to some 200,000 people, and risked angering neighbouring Iran.

The Iranian border is just 25 km from Fizuli and the 50 km long town of Yevlakh.

sands of refugees fleeing towards it. Iran denounced the Armenian offensive last week, saying it believed in the territorial integrity of Azerbaijan.

Fuzuli is the third big town just outside Nagorno-Karabakh seized by the Armenians in recent weeks, after Agdam to the east and Cebrayil further to the south-west. The Azeris say they captured Cebrayil at the weekend.

The Armenians, whose military advances have fuelled political turmoil in Azerbaijan, say they have to drive back the Azeris to prevent them from returning to Karabakh from Shelling. The Azeri Defence Ministry said the Armenians had entered Fuzuli after the withdrawal. But a spokesman for the Nagorno-Karabakh administration said

The Karabakh spokesman said Azeri military aircraft had bombed villages in the Martuni and Gadрут districts of Karabakh overnight, killing five civilians and wounding 10.

An Azeri Defense Ministry spokesman denied the report. "This is false information," he said. "The Armenians report Azeri air-raids while taking no account of the conflicting reports of the fighting. There has been a notable characteristic of the five-year-old conflict, which has taken several thousand lives."

The spokesman officially denies taking part in the war, although it supplies diplomatic support for the enclave's claim to independence and the Karabakh Armenians obtain arms and volunteer soldiers from

## Oslo to

By Karen Fossell in Oslo

**NORWAY'S** minority Labour government is planning to introduce a package of measures, valued at an estimated Nkr600m (£55m), in an attempt to create jobs, boost the competitiveness of the country's industry and increase non-oil exports.

The extra funds will be included in the 1994 budget, which is due to be presented on October 13 if the present government retains power.

The package, announced on September 13, Mr Pinn Kristensen, the industry and energy minister, made the announcement during a campaign speech in Molde on the west

**By Laura Silber in Belgrade**

heavily damaged eastern part of Mostar, relief officials said they would have to give an equal amount of aid to the mainly Croat inhabitants of the western side of the city.

Bosnia's President Alija Izetbegovic yesterday appealed in a letter to the UN Security Council for urgent help in order to avert a "true catastrophe" in Mostar.

His parliament was due to meet on Friday to consider a compromise plan to divide Bosnia put forward by the international mediators Lord Owen and Mr Thorvald Stoltenberg.

In an apparent sign that the parliament might reject the proposal, Radio Sarajevo yesterday broadcast statements from officials of several Bosnian towns opposing the plan. Mr Izetbegovic has already said he could not "recommend" parliament to accept it.

For their part, Bosnia's Croat and Serb leaders have welcomed the proposal, calling it a compromise which could end the 17-month war. Under the plan Serbs would get about 54 per cent of Bosnia, Croats about 17.5 per cent, while 28

per cent would be reserved for the Moslems. The latter were the biggest ethnic group before the war, comprising 44 per cent of the 4.35m population.

In Zagreb, site of the UN headquarters in the former Yugoslavia, Mr Kofi Annan, UN undersecretary for peace-keeping operations, yesterday met officials of countries which have supplied peace-keeping troops. A UN spokesman there refused to say whether Mr Annan was seeking commitments to increase contributions if a settlement were agreed in Bosnia.

Mr Stoltenberg has said the plan would require about 40,000 troops, some 25,000 more than are now escorting aid convoys. He was last night due to brief the Security Council on the latest developments in Bosnia.

**The Conference on Security and Co-operation in Europe** yesterday criticised Serbs for increasing ethnic tensions within former Yugoslavia, citing "alarming" reports of repression including cases of harassment of local CSCE staff.

**By David Gardner in Brussel  
and Ronald van de Krol  
in Amsterdam**

by liberalisation on the ground," a statement from KLM said yesterday.

The European Commission would only confirm yesterday that it was investigating three complaints it had received in the last month. Industry sources said there had been more than a dozen complaints.

Complaints came from the Italian, German and Spanish airports. KLM said the EC action had attracted the most complaints from European airlines. But there were also other airports in Europe where competition in ground-handling was non-existent or extremely limited, a KLM spokesman said.

He declined to name other airports but said that if all European airports charged the same rates as Schiphol in Amsterdam, then KLM would save roughly Fl25m (£3.7m) a year in ground-handling charges. These charges at airports where a monopoly is in force can be 50 per cent higher.

choice of services, the Dutch carrier said.

In the cases of Frankfurt, Milan and the Spanish airports, KLM is allowed to have KLM personnel behind the check-in counters, but it is restricted in how it deploys its own staff.

Ground-handling includes not only passenger check-in but also baggage handling and aircraft refuelling.

A spokesman for the European Commission said Brussels expected a response to the complaints from the handling companies in the next three to four weeks. Officials refused to comment on the likelihood of any action to dilute the monopoly.

But EC diplomats remarked that at a time when Brussels was enforcing competition law against hard-pressed airlines, and cracking down on state aid to flag carriers, it would be hard for the Commission to resist their demands for more compe-

**By Karen Fossell in Oslo**

which has been particularly hard hit in recent years by unemployment and company bankruptcies.

Norway's unemployment rate is currently running at a record 8 per cent, including those on government job training schemes. Along with pro-European membership, the European Community, unemployment is the single biggest issue in the election campaign.

Key measures in the package include:

- Abolition of corporate electricity taxes, saving industry an estimated NKR265m annually.
- Last December the government abolished the tax for energy-intensive industries

whose competitiveness had been eroded after Sweden and Finland had in effect devalued their currencies.

■ NKR175m for measures to help industry increase exports and enter rapidly expanding Asian markets.

■ NKR100m to finance development projects in third world countries in which Norwegian companies will participate. Of this total, about NKR40m will be in export credits to sell domestic goods and services.

Other projects will be allocated to research and development in the private and public sectors and education. A project called "Invest in Norway" will promote the benefits of establishing operations in

[illegible]

Public given access to secret files in attempt to quell suspicions

## Kennedy assassination archive opens

By George Graham in Washington

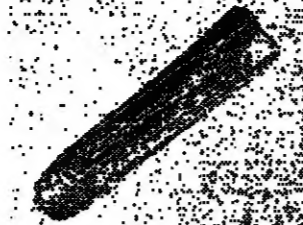
IT IS the ultimate treasure trove for historians, journalists, conspiracy theorists and Kennedy-worshippers: 800,000 pages of documents relating to the 1963 assassination of President John F. Kennedy, released to the public yesterday.

The huge archive, which was opened for inspection in Washington nearly 30 years after Mr Kennedy's death, following a bill passed in Congress last year that ordered the disclosure of almost all government records on the case.

These include most of the few files which have not yet been published from the Warren Commission, which investigated the assassination under the chairmanship of former Chief Justice Earl Warren, as well as documents from congressional committees and 90,000 pages from the Central Intelligence Agency.

Early finds in the CIA records include a secret internal memorandum speculating that the Soviet Union had most to gain from the assassination, although offering no evidence of Soviet involvement.

The Warren Commission's



A photograph of the fatal bullet was released yesterday.

with the exception of a 1979 House of Representatives select committee chaired by Mr Louis Stokes, an Ohio Democrat, which found that a second gunman probably fired at Mr Kennedy and missed.

Most recently, pathologists and doctors who examined Mr Kennedy's body in Dallas in 1963 reaffirmed in the Journal of the American Medical Association their original finding that the president was struck by only two bullets, one of which caused the head wounds that killed him. Both were fired from above and behind, they said.

Nevertheless, US public opinion has never accepted this verdict, preferring a series of theories involving a second assassin, as well as Cuban, Russian, Mafia or CIA backing for Oswald. Oswald himself was shot before standing trial.

Even in the 1980s opinion polls showed two thirds of those questioned believed there was a conspiracy to kill Mr Kennedy, compared with only 13 per cent who believed Oswald acted alone.

Mr Oliver Stone's film JFK last year brought a new intensity to the already thriving conspiracy industry.

## 'Barefoot doctors' wage war on Brazil's other child killers

THE brutal killing of eight street children in Rio recently thrust Brazil into the headlines, but the lives of many more children are being claimed by a lower-profile killer. Victims of a woeful lack of basic sanitation and inadequate food, 30,000 infants die each year in the country's impoverished north east, for want of minimum health care.

While for the most part Brazilian authorities have failed miserably to provide basic services, one of the country's poorest states is showing that with the political will it is possible to improve the situation.

In just three years the north eastern state of Ceara has slashed infant mortality by a third through a cheap and simple project of door-to-door basic health assistance.

Its efforts were recognised in May with Unicef's Maurice Pize prize - the first time the award has gone to a state rather than an institution. Mr Agop Kayayan, Unicef representative in Brazil, describes the Ceara project as "a model not just for Brazil but for the world".

Every day throughout Ceara an army of health agents sets out by foot, donkey, canoe or bicycle, wearing white shirts marked with blue crosses and carrying rucksacks containing scissors, soap and portable scales. Most are young women, many are semi-literate, but they cruise through thousands of miles of scrubland like latter-day missionaries bringing health care to people who have never seen a doctor in their lives.

In the small town of Mangueira, 24-year-old Mariuza Oliveira da Silva is doing her rounds. Entering a wattle and daub shack where a family of seven live amid squalor, she reminds the mother to wash the children's hands and keep their hair and nails clean.

Using a sling scale she weighs the seven-month baby and marks his progress on a chart. Noticing that it is dangerously near the red warning line for severe malnutrition, she stresses the need for breast-feeding and explains how to mix re-hydration salts to cure diarrhoea - the biggest killer of young children.

The scheme was created in 1988 by Mr Tasso Jereissati, a businessman elected state governor. Horrified by the infant mortality rate, which was among the highest in the world

### Christina Lamb joins a health army on foot, donkey, canoe or bicycle in poor north east

at about 100 per 1,000, he ordered a survey which found 48 per cent of the deaths of young children were caused by dehydration from diarrhoea. Although the real cause was lack of sanitation, which requires heavy investment, its effects can be easily cured through oral re-hydration therapy - a packet of salts costing 10 cents.

Helped by Unicef and under the direction of Mr Carilli Lavor, a hygienist familiar with the barefoot doctors scheme in China, a programme was set up to train 3,000 health agents in hygiene, prenatal care, re-hydration therapy, vaccination and breast-feeding. Each agent attends about 150 families for a monthly salary of \$50 (\$40), reporting every month to a trained nurse in a



Guardian angel: a health agent in the town of Mangueira, where success has bred acceptance.

municipal centre.

In the first three years infant mortality was reduced by 32 per cent from 85 per 1,000 live births to 55 and Ceara has gone from last place among Brazilian states in terms of percentage of children vaccinated to first. Moreover, the scheme provides work in a state where 40 per cent of the working population are unemployed or under-employed.

The most remarkable thing is that this was carried out in Brazil's third poorest state and one which was completely bankrupt when Mr Jereissati took office as well as suffering the harshest drought this century. More than half the 6.8m population have no sewers or running water and two thirds live below the poverty line.

But Mr Jereissati points out

that the real problem in Brazil is not money. "Our achievements were far less to do with resources and far more to do with changing the posture of the administration and involving the community. When I took office we found vaccines rotting in stores."

Mr Kayayan says that the Ceara government is probably saving money. "There is no comparison between the 30 cents needed to cure an attack of diarrhoea or \$5-\$10 for a complete set of vaccines and the cost of a child occupying a hospital bed."

Although the health agents are paid by the state government, they are chosen by the communities, a revolutionary idea in a still feudal state. Such a break with convention made the scheme difficult to implement, Mr Jereissati says.

"We met lots of resistance from politicians who resented the loss of patronage and thus control over the electorate."

One mayor even greeted the co-ordinators with a revolver.

To give the idea credibility, they involved the church, university and paediatric society on the basis that if the priest and the doctor say it is good, it must be.

Even so, some of the local population were unhappy at intruders coming into their houses and health workers felt uncomfortable lecturing about hygiene when families obviously had no food in the house.

But Nurse Madalena Pinheiro, who co-ordinates a team of 80 agents in Mangueira, says: "It's possible even when people are on very low income to do a lot because they have very little knowledge about such basic things as brushing teeth, keeping hair clean, not leaving faeces on the ground and which foods are most nutritious."

Success has bred acceptance and the new governor, Mr Ciro Gomes, a political ally of Mr Jereissati, has expanded the scheme to 7,300 agents attending 4m people.

Describing them as "Ceara's guardian angels", he says their value became clear during the recent cholera epidemic as they were able to catch cases early and stop the disease spreading.

The greatest accolade, perhaps, is that governors from three other north eastern states have asked Unicef to help them set up the same scheme.

## Argentina accuses UK on US radar sale

ARGENTINA yesterday accused Britain of trying to block the sale of advanced US tactical radar for its air force, but predicted that the effort by its former foe would fail, Reuter reports from Buenos Aires.

"The pressure from Britain is there, but we think it is being overcome," Mr Fernando Petrela, deputy foreign minister, told a radio interviewer. "We hope it will not succeed."

He was commenting on a report in the daily Clarin which said London was pressing Washington to ban the sale of advanced radar to equip three dozen ageing Skyhawk fighter aircraft.

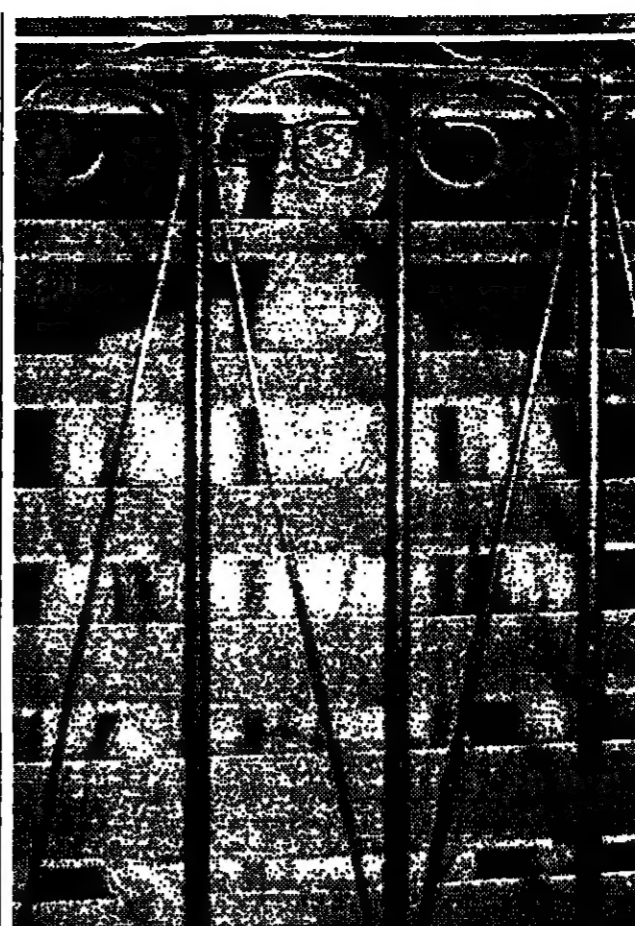
Mr Oscar Camillon, the defence minister, made similar charges in a separate radio interview, blaming London for what he described as US reluctance to allow Argentina to purchase the radar together with the aircraft.

"The objections are coming from the US State Department... this is apparently due to British pressure," he said.

The British embassy in Buenos Aires declined to comment.

Argentina is buying the Skyhawks from the US to replenish its forces, decimated during the 1982 conflict with Britain over the Falkland Islands.

The two countries re-established full diplomatic links in 1980. Mr Douglas Hurd, UK foreign secretary, visited Buenos Aires in January and his counterpart Mr Guido di Tella is due in London later this year.



National Opposition Union (UNO) leader Alfredo Cesar is used as a human shield at UNO headquarters by pro-Sandinista gunmen.

## Twenty hostages freed by Contras

HOPES rose yesterday of an end to Nicaragua's hostage crisis after rival groups of gunmen freed some of their prisoners, officials said, Reuter reports from El Zungano, northern Nicaragua.

In a stand-off which reflects the bitter divisions left by the country's brutal eight-year civil war, armed gangs of the left and right are holding more than 40 officials, politicians and journalists at two sites in different parts of the nation.

A group of former US-backed Contra rebels in the remote northern village of El Zungano freed 20 of their 38 prisoners late on Sunday after talks with envoys including Organisation of American States representative Mr Sergio Caramagna.

Mr Caramagna said he hoped the rebels, led by former Contra Jose Angel Talavera, alias El Chacal (The Jackal), would free the rest of their hostages shortly.

Last Thursday Mr Talavera seized 38 government officials,

soldiers and leftist Sandinista politicians who had travelled to El Zungano to try to persuade him to lay down his arms.

He originally demanded the firing of armed forces chief General Humberto Ortega and presidential chief-of-staff Mr Antonio Lacayo, whom he accused of plotting to allow the former governing Sandinistas to continue ruling Nicaragua despite their 1990 election defeat by President Violeta Chamorro.

In Managua, a group of around eight pro-Sandinista gunmen retaliated on Friday against Mr Talavera's hostage-taking by seizing the headquarters of the conservative National Opposition Union (UNO) party, taking prisoner Nicaragua's vice-president Virgilio Godoy and several dozen UNO leaders.

The group freed 14 prisoners on Saturday and two more on Sunday. However they also took about eight journalists hostage on Sunday.

## Fishermen agree end to Valdez blockade

By George Graham

ALASKA'S Valdez oil terminal opened again yesterday after fishermen agreed to end a blockade provoked by their complaints that the effects of the 1989 Exxon Valdez oil spill had devastated their salmon catch.

Mr Bruce Babbitt, US interior secretary, intervened in the dispute on Sunday, harshly criticising Exxon, the oil giant, for refusing to meet the fishermen.

He also persuaded the protesters to move their fishing vessels from the Valdez narrows, where they had prevented at least seven oil tankers from docking to take on Alaskan crude oil.

The Alyeska pipeline which ends at Valdez handles about a quarter of US crude oil production.

Mr Babbitt also promised action at a meeting in Anchorage yesterday to clean up the operation of the \$300m (2804m) trust fund set up with Exxon money after the Exxon Valdez disaster.

The fund, administered by federal and Alaskan officials, has been harshly criticised in a new report from Congress's General Accounting Office, which found that most of the \$300m it had spent so far had gone to reimburse state and federal agencies, and Exxon itself, for past clean-up work, and for administrative and legal expenses.

The GAO said the trust fund had approved projects which "either do not appear to be directly linked to the oil spill or appear to duplicate existing responsibilities of federal and state agencies".

Congressman George Miller, who commissioned the report, added that "the bureaucrats gave top priority to feathering their own nests with reimbursements and gold-plated studies of questionable merit."

Mr Babbitt promised he would urge the fund's trustees at yesterday's meeting to devote more money to buying land to protect the rivers where salmon spawn.

Exxon said no scientific link had been established between this year's low pink salmon catch and the 11m gallons of oil its tanker spilled into Alaska waters when it ran aground in 1989.

I sleep in all the bedrooms.  
I know them well.

David Hughes '93

The Goring Hotel. American Express Cardmembers welcomed since 1974.  
George Goring, owner. Cardmember since 1981.

That'll do nicely. →

### New Ideas New Opportunities Newport

Are you aware of what we have to offer?

At Newport we pride ourselves on our understanding of businesses and other individual needs.

Competitively priced green-field sites, skilled labour and a first class road, rail and sea network - just what every successful business wants.

We've got what you need, so let us help you work on new opportunities.

Contact Brian Adcock, Director of Development, Newport Borough Council, Civic Centre, Newport, Gwent NP9 4UR, or telephone 0633 244491 Fax: 0633 244721



## Brazilians use the Beetle for trip into past

By Angus Foster in São Paulo

THE FILM Back to the Future relied on an out-dated De Lorean sports car for its trips through time, but Brazil yesterday started its own journey into the past with the relaunch of the Volkswagen Beetle, out of production since 1986.

The relaunch followed agreement in February between President Itamar Franco and Autolatina, the joint venture between Volkswagen and Ford which is Brazil's biggest vehicle maker.

The president wanted lower-priced, "popular" cars, while Autolatina saw the chance for a publicity coup and a way to extract tax concessions from the government.

The car was launched at a ceremony yesterday in Autolatina's largest Brazilian factory in São Paulo. It was attended by the president, several ministers and Mr José Ignacio López de Arriortúa, Volkswagen's director of production.

The Beetle's popularity in Brazil is partly sentimental. It was the first car to become affordable to the middle classes

in the 1960s. It can also handle the country's battered roads and is easy to repair.

The "Fusca", as the Beetle is known in Brazil, has a newly-installed catalytic converter and electronic ignition. Otherwise it is almost identical to the old model which ceased production seven years ago.

The relaunch has fired mixed emotions. Some businessmen have dismissed it as an unwelcome irrelevance when the Brazilian car industry is trying to upgrade.

The industry, which includes Fiat and General Motors, is expected this year to regain from Mexico its position at the top of the Latin American league.

Autolatina's unions are sceptical of the relaunch, even though it will create about 8,000 jobs. They claim Autolatina's total investment of \$30m (£20m) is small and the car's estimated sale price of \$7,200 puts it out of reach of most Brazilians.

One union leader even grumbled that, given the money, he would rather buy a Gol, another of Volkswagen's Brazilian models.

## NEWS: INTERNATIONAL

## Saudis widen political horizons

By Mark Nicholson in Cairo

DIPLOMATS yesterday welcomed the naming of the 60 people who will sit on Saudi Arabia's new consultative council as the most important political change in the kingdom since it became a state more than 60 years ago.

King Fahd's weekend announcement, which fulfilled a promise made more than 15 years ago to open out his kingdom's secretive, family-run government, was welcomed as "remarkable" in the context of the Gulf's most powerful and conservative state.

"It's an important step," said Mr David Gore-Booth, Britain's ambassador in Riyadh.

The setting up of the Shura council, as it will be known, will bring Saudi Arabia in line with other Gulf states, including Kuwait, Oman and Bahrain. These states have taken steps of varying degrees towards broader political participation since the Gulf war, partly because of the intense western scrutiny of their political systems which came with the war.

The new Saudi council will be free to advise and criticise the government but has no legislative powers.

Its creation falls well short of anything like a shift towards western-style democracy. Its members are appointed to their four-year terms by the king, who retains the final say in all policy decisions.

However, its constitution will allow the first institutionalised political participation for Saudis outside the royal family.

"It represents a realisation that you can no longer run a country which has had modernity thrust upon it with ancient methods," said one Gulf analyst. "It's an implicit dilution of absolute power."

In a further move to open up the kingdom's closely held government, King Fahd also announced that all ministerial terms would be limited to four years, subject to possible extensions. Saudi ministers have hitherto enjoyed almost indefinite tenure.

The list of council members is a broad and carefully balanced selection of academics, military men, journalists, doctors, businessmen, deputy ministers, lawyers, religious scholars and poets.

Few are well known outside the kingdom and many obscure inside it, reflecting the kingdom's lack of a public political culture.

More than half the new members hold doctorates, many from US or other western universities. Many observers feel that if not quite western, the council as a whole is well acquainted with the west. "We can say that it's not entirely weighted in the direction of the conservatives," said one diplomat.

No date has been set for the first meeting of the new council, which will convene at least once every two weeks. It will do so in a building in Riyadh's diplomatic quarter which was completed, along with electronic voting equipment, in the late 1970s and has awaited a role ever since.

## Algeria's PM is casualty of his 'war economy'

Francis Ghilès on the problems inherited by a new prime minister after the failure of the last one

DURING the 13 months that he was prime minister of Algeria, Mr Belaid Abdessalam displayed a genius for putting people's backs up. His appointment, in the wake of the slaying of president Mohamed Boudiaf, owed much to his reputation for decisiveness, a reputation which he gained when he was Algeria's economic overlord from 1985 to 1978.

Mr Abdessalam was sacked at the weekend and replaced by the minister of foreign affairs, Mr Redha Malek, one of the five members of the High State Council (HCE) which has ruled Algeria since the forced resignation of Mr Chadli Bendjedid in January 1992.

Mr Abdessalam's dismissal is the direct consequence of his unwilling-

ness to usher in essential economic reforms and broker an agreement with the International Monetary Fund. Both are essential if the spiral of economic decline, one of the chief causes of unrest, is to be reversed.

Despite many brave words, Mr Abdessalam's "war economy" has left the country's factories and finances in a more parlous state than a year ago. His campaign to clear out corruption and stamp out the black market has come to nil. Ordinary Algerians who believed his promise that their standard of living would not suffer from economic reforms feel betrayed.

The former prime minister proved only too true to his past. He imposed tight state control on foreign trade and refused to allow the

dinar, which had lost half its value between 1989 and 1991 - the two years during which Algerian leaders were implementing bold reforms aimed at liberalising their country's economy - to continue depreciating. Massive injections of cash into state companies which remain unrefined has turned a budget surplus equivalent to 2.4 per cent of gross domestic product in 1991 into a deficit of 14.2 per cent this year, and pushed inflation beyond the 30 per cent mark.

Mr Abdessalam's policies have ruled out any agreement with the IMF. The one-year standby agreement reached in June 1991 was scuppered in December that year.

Officials at the IMF, the World Bank and the European Commission

privately bemoaned what they felt was Mr Abdessalam's lack of understanding of economics. They regretted his suspension of key articles of the Law on Credit and Money which, in April 1990, opened Algeria to foreign investment and which, by December 1991, had led 131 foreign companies to sign joint ventures with planned investments of \$2bn.

The appointment of Mr Malek as prime minister has been welcomed by senior European and US officials. He is known as an implacable opponent of the populist Islam propagated by the now banned Islamic Salvation Front (FIS).

Mr Malek knows that some kind of agreement with the IMF and Algeria's leading creditors, notably

France, is indispensable. His government is expected to seek a dialogue which would enable Algeria to loosen the noose of the country's \$26bn foreign debt. Servicing that debt absorbs three-quarters of export earnings.

The new French foreign minister, Mr Alain Juppé, gave public support to the Algerian leaders in their fight against the FIS earlier this summer, a reversal of the policy pursued by the former Socialist administration.

Western countries appear to be prepared to turn a blind eye to the abuses of human rights so long as economic reforms are pursued. The growing violence in Egypt and the fear of the consequences of FIS propaganda among poor north African immigrants in France has made

French politicians more cautious about castigating its former colony for being undemocratic. Indeed, Mr Malek has had some success in convincing US, French and Italian officials that an FIS victory would not usher in a period of democracy.

Unlike many of his peers, who professed to believe in democratic elections, Mr Malek never bothered to hide his contempt for what he described as the "demagoguery" of those, on both sides of the political spectrum, who professed to build a democracy out of the ruins of a single-party state overnight. He consistently argued that until the economy was reformed and the authority of the state vested in competent and cleaner hands, free and fair elections were a chimera.



A Khmer Rouge follower holds his child while seeking refuge near the Thai border. Cambodia's coalition government army had been shelling a rebel-held village forcing 540 villagers to flee.

## Bitter fight under way to succeed Mahathir

DR Mahathir Mohamad, Malaysia's prime minister, is an apparently fit and very active 68-year-old who shows no sign of retiring. But to judge by the bubbling cauldron that is Malaysian politics these days, it is as if Dr Mahathir, prime minister for the past 12 years, is already preparing to go.

A bitter battle is developing over who will succeed Dr Mahathir. In November the United Malays National Organisation (Umno), the country's dominant political party and main grouping within the ruling Barisan Nasional (National Front) coalition government, holds elections for party posts.

No one is likely to challenge Dr Mahathir's party leadership. But the contenders are out for the post of party No 2. The theory is that whoever emerges as deputy will one day inherit the Mahathir mantle and with it power and influence over almost every sector of the nation's life.

There are two main candidates for the post, representing very different strands in modern Malaysia. The present incumbent and deputy prime minister, Mr Ghafar Babar, is the same age as Dr Mahathir, and is a long-time Umno stalwart, renowned for his contacts with the rural voters.

Mr Ghafar describes himself as "just a kampung [village] boy" and lays no claim to great intellectualism but feels that he has earned, through hard work and loyalty to his leader, the right to succeed Dr Mahathir when the prime minister eventually retires.

Mr Anwar Ibrahim, the finance minister and Mr Ghafar's opponent in the contest, is a very different kind of politician. Still only in his mid-40s, Mr Anwar has had a meteoric rise through party ranks.

Suave and urbane, his conversation peppered with literary and scholastic references, Mr Anwar is said to represent the Malay buraq or new Malay, modern in outlook, a man capable of carrying through the ambitious Mahathir vision of making Malaysia a fully industrialised nation by the year 2020.

Mr Anwar, declaring his candidacy yesterday, said he wanted to help make Umno a party of the 21st century. But to an outsider Malaysian politics seems very traditional.

Politics is segregated along strictly racial lines: the Malays, who make up just over 50 per cent of the population, join Umno while other races, mainly Chinese and Indians, have their own parties.

While the Chinese still control a large slice of Malaysia's economic activity, the Malays, through Umno, are the political masters of the country.

Umno leaders deny the party is involved in business. But commerce and politics are closely related in Malaysia. Umno in particular has built itself up into a considerable business - as well as political - force. The financial community talks openly of Umno-con-

### Kieran Cooke on the contest to be No 2

far's opponent in the contest, is a very different kind of politician. Still only in his mid-40s, Mr Anwar has had a meteoric rise through party ranks.

Suave and urbane, his conversation peppered with literary and scholastic references, Mr Anwar is said to represent the Malay buraq or new Malay, modern in outlook, a man capable of carrying through the ambitious Mahathir vision of making Malaysia a fully industrialised nation by the year 2020.

Mr Anwar, declaring his candidacy yesterday, said he wanted to help make Umno a party of the 21st century. But to an outsider Malaysian politics seems very traditional.

Politics is segregated along strictly racial lines: the Malays, who make up just over 50 per cent of the population, join Umno while other races, mainly Chinese and Indians, have their own parties.

While the Chinese still control a large slice of Malaysia's economic activity, the Malays, through Umno, are the political masters of the country.

Umno leaders deny the party is involved in business. But commerce and politics are closely related in Malaysia. Umno in particular has built itself up into a considerable business - as well as political - force. The financial community talks openly of Umno-con-

necting companies and business people.

Analysts of Kuala Lumpur's thriving stock market look as much at who is in or out of political favour as they do at company balance sheets in assessing market performance.

Mr Anwar's opponents say the finance minister has raised a vast monetary war chest to further his cause: his supporters are widely credited with having engineered a M\$800m (£210m) management buy-out earlier this year of the country's biggest newspaper group and TV station. Opponents say national news is now increasingly favourable to Mr Anwar.

Mr Anwar's supporters are also believed to be linked to a company that has gained control of a M\$3.5bn private power project, the biggest such scheme in the country.

The finance minister has strongly denied the talk about political fund-raising and has accused his rivals of spreading malicious gossip.

Dr Mahathir has chosen the role of elder statesman. He has insisted he is strictly neutral in the contest. But the prime minister has spoken out against money politics.

"It is the thin end of the wedge," he said. "Give a person 10 dollars and they will want more."

Dr Mahathir is also concerned about the damage a bruising contest between Mr Ghafar and Mr Anwar will do to Umno unity. In 1987-88 a party split almost caused Dr Mahathir to lose power.

Political analysts say a general election is likely early next year, both to renew Dr Mahathir's mandate and also

to heal the political wounds that might be inflicted in the coming contest.

Malaysia is seen as one of south-east Asia's most politically stable countries - a key factor in attracting millions of dollars of foreign investment. Dr Mahathir insists stability will be maintained.

"We [in Umno] are quite rational people... we don't have that kind of very violent antagonism towards each other or total inability to work with each other," said the prime minister in a recent interview.

That view will be put to the test over the next two months.

South Korean officials today. They have said in the past they would consider such an offer, even if only to have training equipment similar to that used in North Korea. The former Soviet Union long was a weapons supplier to North Korea.

Russia is unable to repay the loans or to meet \$68m interest payments because of economic difficulties, Mr Shokin said.

Russia's deputy prime minister, Mr Alexander Shokin, who arrived in Seoul on Sunday for a four-day visit, said he would offer the proposal to

car-maker, said it was temporarily transferring 175 employees to a group subsidiary. Production at the subsidiary, which makes bodies for recreational vehicles, one of the most active market sectors, was expected to grow, while Toyota's own production had been slowing.

Asahi Glass, a leading glass-maker, is closing a car-window-glass factory because of the slowdown in the domestic motor industry.

Russia hopes to repay \$14.7bn (£386m) borrowed from South Korea by providing the Seoul government with high-tech missiles, fighter jets and other cold war-era weaponry, a Russian official said yesterday. AP-JP reports from Seoul.

Russia's deputy prime minister, Mr Alexander Shokin, who arrived in Seoul on Sunday for a four-day visit, said he would offer the proposal to

South Korean officials today. They have said in the past they would consider such an offer, even if only to have training equipment similar to that used in North Korea. The former Soviet Union long was a weapons supplier to North Korea.

Russia is unable to repay the loans or to meet \$68m interest payments because of economic difficulties, Mr Shokin said.

Russia's deputy prime minister, Mr Alexander Shokin, who arrived in Seoul on Sunday for a four-day visit, said he would offer the proposal to

car-maker, said it was temporarily transferring 175 employees to a group subsidiary. Production at the subsidiary, which makes bodies for recreational vehicles, one of the most active market sectors, was expected to grow, while Toyota's own production had been slowing.

Asahi Glass, a leading glass-maker, is closing a car-window-glass factory because of the slowdown in the domestic motor industry.

Russia hopes to repay \$14.7bn (£386m) borrowed from South Korea by providing the Seoul government with high-tech missiles, fighter jets and other cold war-era weaponry, a Russian official said yesterday. AP-JP reports from Seoul.

Russia's deputy prime minister, Mr Alexander Shokin, who arrived in Seoul on Sunday for a four-day visit, said he would offer the proposal to

South Korean officials today. They have said in the past they would consider such an offer, even if only to have training equipment similar to that used in North Korea. The former Soviet Union long was a weapons supplier to North Korea.

Russia is unable to repay the loans or to meet \$68m interest payments because of economic difficulties, Mr Shokin said.

Russia's deputy prime minister, Mr Alexander Shokin, who arrived in Seoul on Sunday for a four-day visit, said he would offer the proposal to

car-maker, said it was temporarily transferring 175 employees to a group subsidiary. Production at the subsidiary, which makes bodies for recreational vehicles, one of the most active market sectors, was expected to grow, while Toyota's own production had been slowing.

Asahi Glass, a leading glass-maker, is closing a car-window-glass factory because of the slowdown in the domestic motor industry.

Russia hopes to repay \$14.7bn (£386m) borrowed from South Korea by providing the Seoul government with high-tech missiles, fighter jets and other cold war-era weaponry, a Russian official said yesterday. AP-JP reports from Seoul.

Russia's deputy prime minister, Mr Alexander Shokin, who arrived in Seoul on Sunday for a four-day visit, said he would offer the proposal to

South Korean officials today. They have said in the past they would consider such an offer, even if only to have training equipment similar to that used in North Korea. The former Soviet Union long was a weapons supplier to North Korea.

Russia is unable to repay the loans or to meet \$68m interest payments because of economic difficulties, Mr Shokin said.



Ghafar Babar (above) and Anwar Ibrahim: style contrast



Ghafar Babar (above) and Anwar Ibrahim: style contrast

to heal the political wounds that might be inflicted in the coming contest.

Malaysia is seen as one of south-east Asia's most politically stable countries - a key factor in attracting millions of dollars of foreign investment. Dr Mahathir insists stability will be maintained.

"We [in Umno] are quite rational people... we don't have that kind of very violent antagonism towards each other or total inability to work with each other," said the prime minister in a recent interview.

That view will be put to the test over the next two months.

South Korean officials today. They have said in the past they would consider such an offer, even if only to have training equipment similar to that used in North Korea. The former Soviet Union long was a weapons supplier to North Korea.

Russia is unable to repay the loans or to meet \$68m interest payments because of economic difficulties, Mr Shokin said.

Russia's deputy prime minister, Mr Alexander Shokin, who arrived in Seoul on Sunday for a four-day visit, said he would offer the proposal to

car-maker, said it was temporarily transferring 175 employees to a group subsidiary. Production at the subsidiary, which makes bodies for recreational vehicles, one of the most active market sectors, was expected to grow, while Toyota's own production had been slowing.

Asahi Glass, a leading glass-maker, is closing a car-window-glass factory because of the slowdown in the domestic motor industry.

Russia hopes to repay \$14.7bn (£386m) borrowed from South Korea by providing the Seoul government with high-tech missiles, fighter jets and other cold war-era weaponry, a Russian official said yesterday. AP-JP reports from Seoul.

Russia's deputy prime minister, Mr Alexander Shokin, who arrived in Seoul on Sunday for a four-day visit, said he would offer the proposal to

South Korean officials today. They have said in the past they would consider such an offer, even if only to have training equipment similar to that used in North Korea. The former Soviet Union long was a weapons supplier to North Korea.

Russia is unable to repay the loans or to meet \$68m interest payments because of economic difficulties, Mr Shokin said.

Russia's deputy prime minister, Mr Alexander Shokin, who arrived in Seoul on Sunday for a four-day visit, said he would offer the proposal to

car-maker, said it was temporarily transferring 175 employees to a group subsidiary. Production at the subsidiary, which makes bodies for recreational vehicles, one of the most active market sectors, was expected to grow, while Toyota's own production had been slowing.

Asahi Glass, a leading glass-maker, is closing a car-window-glass factory because of the slowdown in the domestic motor industry.

Russia hopes to repay \$14.7bn (£386m) borrowed from South Korea by providing the Seoul government with high-tech missiles, fighter jets and other cold war-era weaponry, a Russian official said yesterday. AP-JP reports from Seoul.

Russia's deputy prime minister, Mr Alexander Shokin, who arrived in Seoul on Sunday for a four-day visit, said he would offer the proposal to

South Korean officials today. They have said in the past they would consider such an offer, even if only to have training equipment similar to that used in North Korea. The former Soviet Union long was a weapons supplier to North Korea.

Russia is unable to repay the loans or to meet \$68m interest payments because of economic difficulties, Mr Shokin said.

## Nigerian military faces protests

NIGERIA's pro-democracy campaign groups have called a three-day stoppage to back Mr Moshood Abiola's claim to be the next president and to oppose the military regime's plan to hand over to an unelected interim government on Friday, writes Paul Adams in Lagos.

The two previous civilian protests organised by the Campaign for Democracy in recent weeks halted normal business life in the commercial capital, Lagos, and other parts of the Yoruba-speaking south-west, the stronghold of Mr Abiola, but failed to make an impact in the east or north of Nigeria.

Although the CD lacks a national network, it has done more than any other organisation to voice dissatisfaction with President Ibrahim Babangida's eight-year-old regime, which has four times postponed its promised transition to democracy. The protest is aimed at building up pressure on the government to step down before Friday, when the Nigeria Labour Congress has threatened a national strike.

The military regime is due to name the members of a civilian-led interim government tomorrow.

### ANC accused over prisoners

A commission of inquiry in South Africa has found that the African National Congress tortured, mistreated and in some cases killed prisoners detained in its prison camps outside South Africa in the 1980s. But it stopped short of blaming senior ANC officials for the abuses, writes Patti Waldmeir in Johannesburg.

In a report released yesterday, a three-man commission appointed by ANC president Nelson Mandela echoed criticism from an earlier internal commission of inquiry, saying that ANC security officers had beaten, tortured, detained without trial, and in some cases executed detainees.

But it named only two senior ANC officials and accused them of relatively minor abuses.

More serious findings were made against members of the ANC's security branch, and the commission recommends that they be disciplined under the ANC's internal code of conduct.

### Iraq wants end to trade sanctions

Iraq insisted yesterday that technical talks with the United Nations on August 31 should also discuss Baghdad's demand that trade sanctions be lifted. AP-JP reports from Amman.

An Iraqi foreign ministry statement confirmed that Baghdad would take part in the talks, aimed at resolving an impasse over deployment of monitoring cameras at Iraqi missile sites. The cameras have been installed, but are not yet switched on, pending the outcome of the New York talks.

The ministry said Iraq wants the talks to include the possible lifting of international sanctions imposed on Iraq after its invasion of Kuwait in August 1990.

### Taiwan president cements control

Taiwan's President Lee Teng-hui gained firm control over the ruling Kuomintang's highest policy-making body yesterday, with progressive politicians loyal to him sweeping elections to the party's central standing committee, writes Dennis Engbarth from Taipei.

Conservatives, who previously held nearly half of the committee's 31 seats, retained just two.

## Hosokawa stresses quality of life as goal of policy

By Gordon Cramb in Tokyo

MR Morihito Hosokawa, Japan's prime minister, yesterday said the country needed to bring down its current account surplus "not just to maintain good external economic relations but also to improve the quality of Japanese life".

In his first policy speech to the Diet (parliament), he said he would seek to make Japan "a country of quality and substance", at ease with the world and with itself.

He also pledged political reform by the end of the year, in what is the main aim of the seven-party coalition, which this month displaced the long-ruling Liberal Democratic party. However, he was vague about the shape of the reform, over which the partners are still divided.

His address contained no new initiatives but appeared to indicate a number of shifts in emphasis. He placed greater stress than before on the funding of parties and politicians as a source of corruption. Such contributions would be replaced by "neutral, untainted public funding and other provisions", he said, in a reference to possible tax incentives for individual donors.

The coalition's ability to curb corporate contributions without being seen as victimising the LDP was given a strong boost last week when the Keidanren, the leading business grouping, said it would stop acting as a conduit for political funds - nearly all of which went to the LDP.

Mr Hosokawa took care to note the difficulties caused by Japan's high current account surplus in relations with the US and EC. He intended to seek its reduction by working for "expanded domestic demand and improved market access, and for such consumer-oriented policies as rectifying the disparity between domestic and international prices and promoting deregulation".

This was the approach announced following a meeting of economic ministers last Thursday. The US Federal Reserve stepped in later that day to assist the Bank of Japan in stemming a rise in the yen, which Washington had recently been thought to favour as a way to curb Japanese exports. Although the countries deny having done a deal, the move also followed a telephone conversation that day between Mr Hosokawa and President Bill Clinton.

The two are to hold a summit in late September, following framework talks earlier in the month on trade issues which Mr Hosokawa said were crucial. Japan may again need the Fed's assistance before that - the yen rebounded by ¥1.10 against the dollar in Tokyo yesterday to ¥103.35.

The prime minister was otherwise cautious on international issues. Noting that "protectionist moves seem to be on the rise", he said failure of the Uruguay Round of trade talks would "have a grave impact on the world economy". But he referred only obliquely to the problem of Japan's refusal to open its rice market, saying agriculture was a difficult issue for all countries and he would seek a solution based on "mutual co-operation under our basic policy".

Mr Hosokawa expressed remorse and apologies for war actions "including aggression and colonial rule". Under evident pressure from conservatives in the coalition, he added that there were also "supreme sacrifices made during the war" by Japanese.

For the future, he said Japan must avoid "falling prey to great-power ambitions" but should become "a country of

unpretentious excellence" in government, business and everyday life. His phrase recalls the "lifestyle superpower" envisaged by Mr Kiichi Miyazawa, his LDP predecessor, but with a stronger commitment to social justice and consumer interests.

Mr Yoshi Kono, leader of the LDP, members of which heckled repeatedly during the speech, said afterwards: "He speaks of reform but he is adopting a conventional policy line."

Mr Hosokawa said Japan's ageing society made a review of the tax structure a priority, to balance income, property and consumption taxes. The Social Democratic party, the largest coalition member, has opposed suggestions by some of its partners that consumption tax should be increased from the present 3 per cent.

Reflecting the mixed signals from official data, Mr Hosokawa said there were indications that "the domestic economy is finally emerging from the depths into which it was thrown" but "it would not do to take economic recovery for granted". His aim was to "create a climate conducive to the freer exercise of private-sector initiative".



Prime Minister Hosokawa rises to speak in the Diet. Beside him is Foreign Minister Tsutomu Hata

for open wa  
aid com

probe se  
at airp

1. 1.1  
 2. 1.2  
 3. 1.3  
 4. 1.4  
 5. 1.5  
 6. 1.6  
 7. 1.7  
 8. 1.8  
 9. 1.9  
 10. 1.10  
 11. 1.11  
 12. 1.12  
 13. 1.13  
 14. 1.14  
 15. 1.15  
 16. 1.16  
 17. 1.17  
 18. 1.18  
 19. 1.19  
 20. 1.20  
 21. 1.21  
 22. 1.22  
 23. 1.23  
 24. 1.24  
 25. 1.25  
 26. 1.26  
 27. 1.27  
 28. 1.28  
 29. 1.29  
 30. 1.30  
 31. 1.31  
 32. 1.32  
 33. 1.33  
 34. 1.34  
 35. 1.35  
 36. 1.36  
 37. 1.37  
 38. 1.38  
 39. 1.39  
 40. 1.40  
 41. 1.41  
 42. 1.42  
 43. 1.43  
 44. 1.44  
 45. 1.45  
 46. 1.46  
 47. 1.47  
 48. 1.48  
 49. 1.49  
 50. 1.50  
 51. 1.51  
 52. 1.52  
 53. 1.53  
 54. 1.54  
 55. 1.55  
 56. 1.56  
 57. 1.57  
 58. 1.58  
 59. 1.59  
 60. 1.60  
 61. 1.61  
 62. 1.62  
 63. 1.63  
 64. 1.64  
 65. 1.65  
 66. 1.66  
 67. 1.67  
 68. 1.68  
 69. 1.69  
 70. 1.70  
 71. 1.71  
 72. 1.72  
 73. 1.73  
 74. 1.74  
 75. 1.75  
 76. 1.76  
 77. 1.77  
 78. 1.78  
 79. 1.79  
 80. 1.80  
 81. 1.81  
 82. 1.82  
 83. 1.83  
 84. 1.84  
 85. 1.85  
 86. 1.86  
 87. 1.87  
 88. 1.88  
 89. 1.89  
 90. 1.90  
 91. 1.91  
 92. 1.92  
 93. 1.93  
 94. 1.94  
 95. 1.95  
 96. 1.96  
 97. 1.97  
 98. 1.98  
 99. 1.99  
 100. 1.100

CLUE WORLD  
**BRITISH AIRWAYS**  
The world's favourite airline

Congratulations. You've just flown  
around the new Club World in 80 lines.

## NEWS: WORLD TRADE

## Plan to transfer technology to East Germany denied

## Miti probes Toshiba chip export claim

By Michio Nakamoto in Tokyo

JAPAN'S Ministry of International Trade and Industry is investigating a claim that Toshiba, a leading electronics maker, had agreed to transfer technology to former East Germany that would have breached an internationally agreed export ban to communist countries.

Mr Masayoshi Takemura, chief cabinet secretary, confirmed Miti was examining the allegations, contained in a Japanese daily newspaper.

The Sankei Shimbun newspaper claimed Toshiba had agreed in 1986 to transfer semiconductor chip technology to East Germany that would have breached rules set up by the Co-ordinating Committee for Multilateral Export Controls (Cocom). The group was set up in 1951 by Nato to monitor and control the export of products and technical data of potential strategic value to Warsaw Pact countries and their allies.

The newspaper said it had secret documents from East Germany indicating that Toshiba and Mitsu, the trading house, had agreed to help build a factory to manufacture 356-kilobit dynamic random access memory chips.

Toshiba, however, scrapped the deal after it was revealed in 1987 that a subsidiary of the company had exported machine tools to the former Soviet Union. This resulted in the company being excluded from US government procurement for three years.

Toshiba yesterday denied the latest allegations, saying it had made no agreement with East Germany on the transfer of semiconductor technology. The company said it followed strict export guidelines.

Toshiba said that between 1986 and 1987 the East German government had asked it to



Takemura: confirmed probe

transfer technology for the manufacture of printed circuit boards and transistors for colour televisions, neither of which would have been in breach of Cocom rules. Mitsu was involved in the talks.

When the sales of machine tools to the Soviet Union came to light in March 1987, Toshiba cancelled the TV transistor technology contract it had signed with the East Germans and called off talks on the transfer of circuit board technology.

Miti said it had investigated the chip issue in 1988 - finding no evidence that Toshiba had agreed to transfer semiconductor technology to East Germany - but was reinvestigating since fresh allegations had surfaced.

Cocom still prohibits the transfer of technology for the manufacture of certain advanced semiconductor chips and the export of some semiconductor manufacturing equipment.

## A\$2.4bn Australian rail link proposed

FRANCO-BRITISH engineering company GEC Alsthom NV wants to build a high-speed rail link between Sydney and Canberra, government officials said on Monday. Reuters reports from Canberra.

Work would start on the A\$2.4bn (£1.1bn) project in 1996 and Speedrail, as it is dubbed, would be running by 1999, according to the proposal.

Industry minister Alan Griffiths wants to meet the developers, a government spokesman said. "Obviously this is a project of national significance - we'd like to discuss it further."

GEC Alsthom is half-owned by Britain's General Electric Co and Alcatel Alsthom SA of France, a spokeswoman for the company's Sydney subsidiary said.

The trains, modelled on the Train a Grande Vitesse now operating in France, would travel at 350 km (217 miles) an hour and take 75 minutes to cover the distance between the nation's capital of Canberra and the country's most populous city.

A second stage linking Melbourne, Adelaide and Brisbane with Sydney and Canberra is also being studied, the sources said.

The developers have sent their proposal to the federal, New South Wales and Australian Capital Territory governments.

GEC Alsthom would supply the rolling stock for the project, which would create up to 35,000 jobs, the sources said.

A similar plan was proposed by a consortium led by Broken Hill Pty but shelved in 1991 after the federal government refused developers' request for tax breaks during the construction phase.

The Speedrail proposal makes no such request. About 80 per cent of the projected cost is expected to be spent in Australia, the sources said.

GEC Alsthom last week won a contract to help build a 400 km high-speed rail link in South Korea, a project expected to cost US\$13.2bn with completion in 2002.

## Allied in Scotch deal with India

By Philip Rawstone in London and Shiraz Sidhwa in New Delhi

HIRAM WALKER, the spirits and wine division of Allied-Lyons, is to establish a joint venture in India with Jagajit Industries of New Delhi, one of the country's largest liquor producers.

The 50/50 venture will bottle Scotch whisky in India and launch a range of locally-produced spirits for the domestic and international markets.

After decades of warding off foreign liquor manufacturers and encouraging a thriving market for spurious "scotch", India has opened its doors to the world's premium Scotch whisky-makers.

Allied is the third UK-based drinks company to enter the \$300m market under the Indian government's liberalisation programme. Guinness and Grand Metropolitan have already announced the formation of partnerships with Indian companies.

Seagram, the Canadian liquor and foods giant, has also been allowed to set up a wholly-owned subsidiary to make or blend 25,000 kilolitres of spirits a year.

Though the Allied-Jagajit venture is not expected to make a significant contribution to Allied's profits for some years, Mr David Jarvis, chief executive of Hiram Walker,

said yesterday: "We believe India has great potential for our products. We are delighted that the Indian government's positive policy for inward investment now allows us to be associated with Jagajit."

The Indian government has not allowed foreign liquor companies to set up manufacturing capacities, and they will have to rely on the existing facilities of their joint venture partners, or purchase Indian spirits through contracts.

Jagajit, which commands more than 25 per cent of the country's liquor market, is involved in the manufacture and marketing of malt, malt extract, dairy and food products, as well as in the produc-

tion of bottling and packaging material.

The Rs100m (\$3.2m) project in Maharashtra will import Scotch and bottle it in India for local sale and export to Gulf countries and possibly to South East Asia.

The company will bottle up to 30,000 cases of Scotch a year, and another 30,000 cases of blends with locally-made alcohol.

Exports have been made mandatory in order to offset import costs.

The Indian demand for Scotch is estimated at 1m cases a year, more than 75 per cent of which are spurious or adulterated, and 90 per cent of which are smuggled.

drinking habits. And they have to address evidence that actual levels of drinking are much higher than official statistics suggest.

According to Norwegian estimates, the country's spirits consumption is doubled if duty-free, smuggling and home-distilling are taken into account.

It is difficult to see how a satisfactory solution can be worked out, given the weight of tradition and long-standing policy on the Nordic side, and the EC's intransigence towards monopolies on the other.

One answer could be to scrap the import monopoly and agree to phase out the distribution monopoly over a number of years. But Swedish politicians, at least, fear they will not be able to sell that to the temperance lobby. They say alcohol is one of the issues on which the EC has to show increased flexibility if Sweden is not to get a negative view of membership.

One Swedish politician commented: "It will be far better for the monopoly to disappear naturally, with prices coming down as import restrictions disappear, than if it is forced on us politically. People will see it as a classic case of unwarranted meddling by Brussels in our internal affairs."

## Nordic countries contest the spirit of EC policy on alcohol

## Monopoly issue complicates EC membership talks, writes Christopher Brown-Humes

their current monopolies evolved. The aim today in all three countries is to discourage alcohol consumption by maintaining high prices and limiting availability.

Public opinion on the issue is split. A poll in Sweden last week found that 43 per cent of the public wanted the alcohol monopoly retained; a recent Norwegian study said as many as 59 per cent backed the current regime.

Norway and Sweden are taking the strongest line in the EC talks, saying that they want to retain monopolies over both imports and retail sales of alcohol. Attitudes are more relaxed in Finland, which has indicated that it considers retention of the retail monopoly to be the important issue.

The Commission does not dispute the Nordics' contention that their policies have cut alcohol-related problems - meaning everything from liver cirrhosis to drunken driving and violence in the streets. But it says they can find

ways of meeting their health objectives without retaining a formal monopoly. That could be through taxes, licensing, advertising better information, and restrictions on sales to young people, for example.

Sweden counters by saying it is already doing much of what the commission recommends. It argues that it should be allowed to adjust its monopoly in so far as it transgresses EC competition rules, but that public health arguments should outweigh any requirement to scrap the monopoly.

As part of this emphasis on adjustment, Systembolaget, the Swedish monopoly retailer, is about to widen its selection of imported brands to demonstrate that the country's alcohol monopoly is not about favouring domestic suppliers.

Moves such as this may not be sufficient to win the argument. The Nordic countries still have to persuade a sceptical European Commission that the nanny state should have the right to dictate people's

drinking habits. And they have to address evidence that actual levels of drinking are much higher than official statistics suggest.

According to Norwegian estimates, the country's spirits consumption is doubled if duty-free, smuggling and home-distilling are taken into account.

It is difficult to see how a satisfactory solution can be worked out, given the weight of tradition and long-standing policy on the Nordic side, and the EC's intransigence towards monopolies on the other.

One answer could be to scrap the import monopoly and agree to phase out the distribution monopoly over a number of years. But Swedish politicians, at least, fear they will not be able to sell that to the temperance lobby. They say alcohol is one of the issues on which the EC has to show increased flexibility if Sweden is not to get a negative view of membership.

One Swedish politician commented: "It will be far better for the monopoly to disappear naturally, with prices coming down as import restrictions disappear, than if it is forced on us politically. People will see it as a classic case of unwarranted meddling by Brussels in our internal affairs."

## Poland warned over gas pipeline

By Christopher Bobinski in Warsaw

POLAND'S sovereignty could be endangered by a proposed plan that would supply Russian natural gas to the country along an east-west pipeline, Mr Jan Olszewski, a former prime minister, warned yesterday.

Mr Olszewski was speaking on the eve of a two-day visit to Poland by the Russian president, Mr Boris Yeltsin. During the visit an agreement to build the pipeline is expected to be signed.

Mr Olszewski, whose right-wing Coalition for the Republic is one of more than a dozen political groups contesting parliamentary elections scheduled for September 19, contended that the pipeline would "nullify chances of obtaining gas from other sources such as the North Sea".

Russia currently exports 6.5bn cubic metres a year of natural gas to Poland, whose domestic production amounts to 3.5bn cubic metres a year.

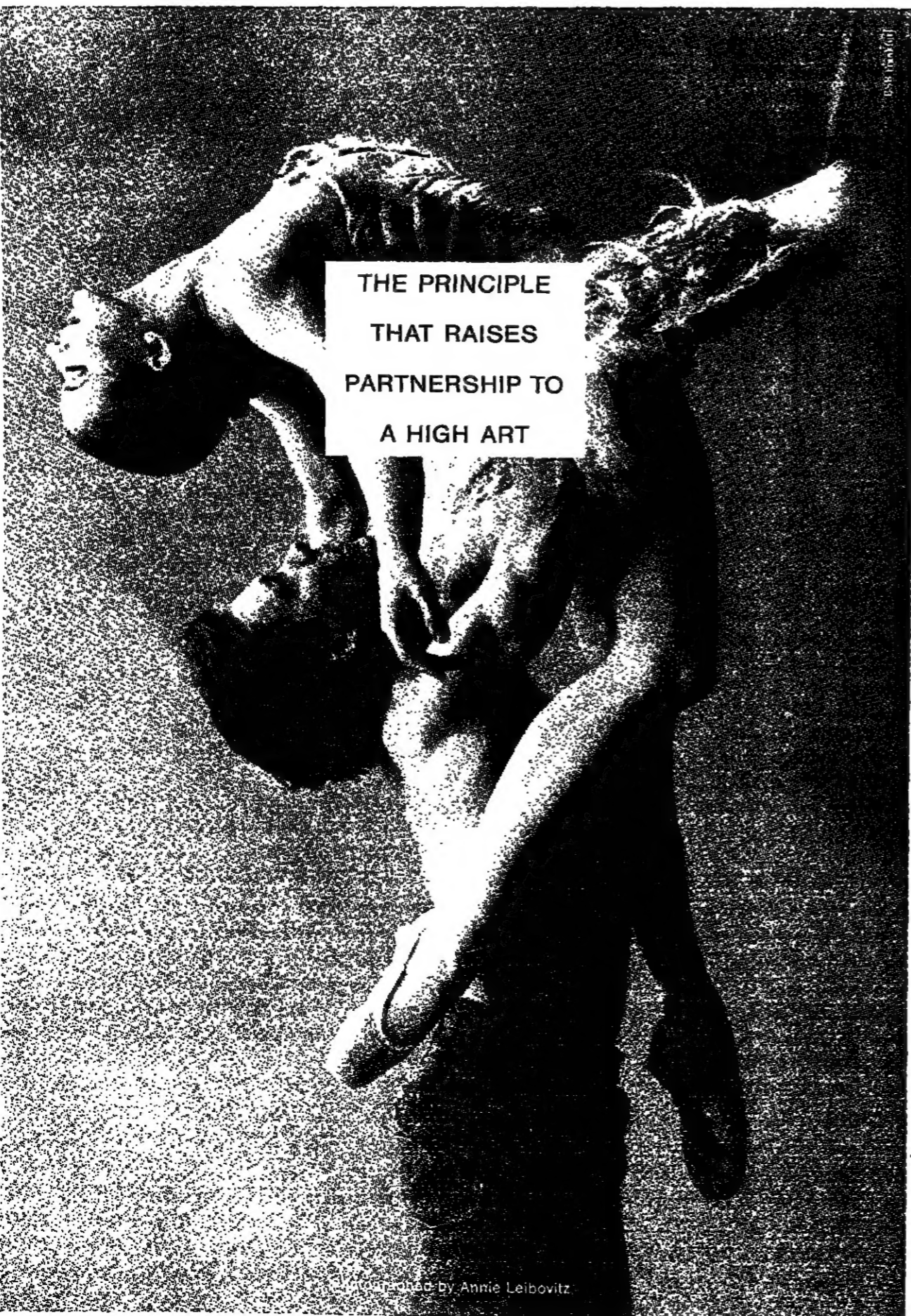
Estimates of Poland's natural gas needs in the year 2019 assume that consumption will treble from present levels. The pipeline would carry 67bn cubic metres a year 4,000km from the Jamal Peninsula in the Arctic Circle to western Europe.

Details of financing of the project have still to be divulged, but Poland could take delivery of 14bn cubic metres a year of gas as part of the agreement.

The Polish sector of the pipeline would be owned by a joint Polish-Russian operating company. The issue of ownership has been the subject of debate by critics of the project.

The state-owned Polish Oil and Gas Company has been negotiating the pipeline agreement with Gazprom, its counterpart in Russia.

The Polish company has also been exploring the possibility of building a pipeline linking with Poland's Baltic coast to bring in a further 10bn cubic metres a year.



THE PRINCIPLE  
THAT RAISES  
PARTNERSHIP TO  
A HIGH ART

Every new venture begins with an idea - and internationality, expertise and experience, with a risk. Whether that involves international DG BANK volunteers an operating principle trade, equity investment, corporate borrowing that makes every customer a partner in a or liquidity management, your singular way. ■ We call it new associate represents an the "WIR PRINZIP", to which unknown quantity. So diverging DG BANK and its staff are interests, and the incalculable wholeheartedly committed. The human element inherent in every business WIR PRINZIP is rooted in the classic tradition relationship, present possible impediments of the cooperative system linking equal business partners. And it has a great future ahead to cooperation based on mutual trust. ■ of it. Because it exemplifies the central idea of The necessary rapport is achieved only partnership: that mutual cooperation leads to self-interest within a balanced concept, mutual success. As a customer you participate Because both partners want to profit, both in this way of doing business not only through want security. In an increasingly complex the customer-driven service quality of business environment, your bank's counsel- DG BANK; you will also find the same partner- ling skills are a vital aid for custom-tailored focused philosophy where it has always been concepts of this nature. In addition to at home - in every Volksbank and Raiffeisenbank.

Headoffice: DG BANK, Am Platz der Republik, D-60325 Frankfurt am Main. Offices in: Amsterdam, Atlanta, Hong Kong, London, Luxembourg, Madrid, Milan, Moscow, New York, Paris, Rio de Janeiro, Tokyo, Zurich.

DG BANK

## State agency to challenge equal pay laws

By Robert Taylor,  
Labour Correspondent

BRITAIN'S laws on equal pay are to be legally challenged through the European Commission in separate actions by the government-appointed Equal Opportunities Commission (EOC) and the Trades Union Congress (TUC).

The EOC will ask Brussels next month to decide if Britain's equal pay legislation complies with EC rules. The EOC could find itself on a collision course with the government over what ministers will regard as a provocative move.

But the EOC's decision to refer the issue to the EC reflects the increasing exasperation inside the organisation at what it regards as the government's failure to comply with EC legal obligations on equal pay. The main reason for the EOC's appeal to Brussels is the negative response over the issue it received last month from Mr David Hunt, the employment secretary.

In a letter dated July 19 he rejected out of hand the EOC's proposals to strengthen existing equal pay legislation. These called for a speed-up in the slow and complex procedure in equal pay inquiries; an extension in equal pay award entitlements beyond the individual claimant to all workers in the same employment doing the same or similar work; and a move to allow discriminatory terms in a collective agreement to be challenged by an interested party or modified by a trade union.

In his letter Mr Hunt also rejected the legal advice given to the EOC that the government had failed properly to fulfil its obligations under the Rome Treaty and the directive on equal pay which Britain signed in 1975.

The employment secretary told the EOC the government needed to strike a balance between improving the law and ensuring that employers could avoid burdens that would threaten job opportunities. Mr Hunt also said he was firmly opposed to any proposals that sought to award equal pay to others in similar jobs or to allow trade unions or the EOC to challenge discriminatory pay systems.

"We have decided enough is enough", said an EOC official. She pointed out the EOC had been trying unsuccessfully for over three years to convince the government that it should improve existing equal value legislation.

Yesterday the EOC welcomed the TUC's decision to make a formal complaint to the European Commission over the abolition of wages councils that will come into force next week.

But the Department of Employment said last night UK legislation fully complied with the government's EC obligations. The TUC complaint will be submitted to the EC's social affairs directorate for consideration. The commission has the power to take the government to the European Court and if the court upheld a complaint the government would be forced to change its legislation.

## Government tries to defuse rail fare row

By John Authers  
and Alison Smith

THE government yesterday attempted to defuse the growing political controversy over the proposed plans by British Rail, the state network, to raise fares on some routes by 15 per cent ahead of privatisation.

While the leak has been interpreted as an attempt to spread damaging publicity on the government's plans for rail privatisation, the problems revealed in the document chiefly concern continuing funding difficulties on Network SouthEast, the London commuter division of BR.

The scale of the increases outlined in the document has alarmed many Tory MPs with constituencies in south-east England.

Sir Keith Speed, one of the leading Tory opponents of rail privatisation, said he was certain Mr John MacGregor, the transport secretary, would not agree to the sort of fare rise envisaged.

Pressure for fare increases has mounted amid Network SouthEast claims that £400m is needed annually until the end of the decade "simply to maintain the status quo". This would allow for replacing outdated rolling stock and essential maintenance, but would not include any extra routes or additional rolling stock.

Project investment for next year has been state-funded at £420m, according to Network SouthEast, leaving a £40m shortfall.

Passenger watchdogs and opposition MPs claim fare increases are inevitable.

Although transport minister Lord Calveley yesterday described suggestions of a 15 per cent fare rise as hypothetical, an FT analysis shows that rail fares on Network SouthEast - as well as London Underground and London's buses - have risen consistently ahead of inflation since 1984.

Since then, while the retail price index rose by only 5.3 per cent, bus fares have risen by 32.3 per cent and Tube fares by 34.5 per cent. Network SouthEast registered an 81.7 per cent rise.

Since 1979, the distance which can be travelled on any of London's public transport systems for a set fare has been cut by 20 per cent.

Over this period Network SouthEast has faced growing criticism for poor timekeeping and reliance on ageing rolling stock. Yesterday, it defended itself against criticisms, saying that a recent survey had shown it to be ahead of the French SNCF's Paris service by 7.5 per cent on measures of reliability and punctuality.

It admitted, however, that it received a £300m government grant last year, and even when this was included made a surplus of only £5m.

Lex, Page 14

## Britain in brief



### Telecom deal to intensify competition

Competition between British Telecom and local cable operators is set to intensify following an agreement between the leading operators and Mercury Communications. The deal gives the cable companies improved rates for completing the long-distance parts of calls made on their local phone networks, and will enable them to undercut BT's prices in their franchise areas.

The cable companies - General Cable, Nynex, Ecom, Southwestern Bell, Telewest and Videotron - provide most of the 180,000 cable telephone lines now in service.

The operators would not disclose the precise figures in the deal, but the new Mercury agreement gives them better overall terms than those available with BT.

The operators would not disclose the precise figures in the deal, but the new Mercury agreement gives them better overall terms than those available with BT.

The operators would not disclose the precise figures in the deal, but the new Mercury agreement gives them better overall terms than those available with BT.

The operators would not disclose the precise figures in the deal, but the new Mercury agreement gives them better overall terms than those available with BT.

The operators would not disclose the precise figures in the deal, but the new Mercury agreement gives them better overall terms than those available with BT.

The operators would not disclose the precise figures in the deal, but the new Mercury agreement gives them better overall terms than those available with BT.

The operators would not disclose the precise figures in the deal, but the new Mercury agreement gives them better overall terms than those available with BT.

The operators would not disclose the precise figures in the deal, but the new Mercury agreement gives them better overall terms than those available with BT.

The operators would not disclose the precise figures in the deal, but the new Mercury agreement gives them better overall terms than those available with BT.

The operators would not disclose the precise figures in the deal, but the new Mercury agreement gives them better overall terms than those available with BT.

the European Community has become more protectionist since the Maastricht conference on closer European ties.

### More stock details likely

The London Stock Exchange plans to make more information available about the trading prices of stocks in smaller companies in an effort to boost their share liquidity.

The information will cover the trading prices of some 160 shares with only one registered marketmaker or with no marketmaker. Dealing in these shares must be conducted through others posted on the Stock Exchange Alternative Trading Service (Seats).

### Nissan output rises sharply

Japanese carmakers accounted for more than a fifth of UK car output in the first six months this year. Sharply rising production by Nissan and the start-up of plants by Toyota and Honda are compensating for falling output by the traditional car producers.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

Overall production rose by 8.2 per cent in the first half of the year to 743,000 boosted by a virtual doubling of car output at Nissan's Sunderland plant in north-east England.

## Western counties seek EC funding

By Roland Adburgham, Wales  
and West Correspondent

THREE west of England counties are making a joint bid for European funding to counter the impact of military cutbacks on the UK defence industry.

Avon, Gloucestershire and Wiltshire are lobbying for aid to help revitalise areas reliant on the defence industry and military bases. The government has until the end of this month to apply to the EC for a £15m share of the £100m Konver fund, announced in April by Mr Bruce Millan, EC regional policy commissioner.

It is the first time the counties have made such a joint approach. The bid, announced yesterday, is supported by the counties' Training and Enterprise Councils, by local MPs and MEPs and by the Avon-based Western Development Partnership, a forum for economic development.

Avon, Gloucestershire and Wiltshire are highly dependent on the defence industry with British Aerospace, Rolls-Royce and Dowty all operating plants in the region. Avon alone is estimated to have lost more than 7,000 defence-related jobs in the past six years.

Earlier this summer, the Confederation of British Industries

try said the impact of defence cuts in south-west England was comparable to the effects of the rundown of coal and steel production in Wales.

The Konver fund, which will require matching finances by the government, local authorities or the private sector. It is subject to the principle of additionality. That means it co-finances projects which will have an additional impact on the areas concerned and would not otherwise go ahead.

The Department of Trade and Industry has to inform Brussels by August 31 of the areas for which it is seeking Konver funds, and the DTI would subsequently assess specific projects which might be supported. The three counties want the aid for schemes to help redundant defence workers and to stimulate new business.

A study for the European Commission last year identified 24 of the community's 183 regions where defence employment was at least double the European average.

● Defence company Flight Refuelling is to shed 200 of its 1,000 workers at Wimbome, Dorset, it said yesterday. It blamed cuts in the aerospace and defence industries for the losses, which follow the axing of 100 jobs in March.

## Tests soon at Thorp nuclear waste unit

By Bronwen Maddox,  
Environment Correspondent

THE government's Pollution Inspectorate is likely to tell British Nuclear Fuels within days that it can begin testing its controversial Thorp reprocessing plant in north-west England with uranium.

Greenpeace, the environmental pressure group, has opposed the start of testing on the grounds that it will prejudice the government's decision on whether to allow the £2.5bn plant to start operating. Greenpeace warned yesterday that it would take legal action against any decision to allow testing.

BNF originally expected Thorp, which recycles used nuclear fuel, to receive authorisation at the start of this year. But the decision was delayed until the end of the year after strong opposition from politicians and environmentalists.

The Inspectorate announced on July 22 that it was "minded" to allow testing on condition that, if BNF did not win the go-ahead for the plant, it would pay for decommissioning any equipment contaminated by the tests.

## Securities industry faces demands from Brussels

EVEN for those well-versed in the complex phraseology of European directives, the Capital Adequacy Directive (CAD) is vexatious.

Translated into English, it means most of Britain's securities industry will have to use a new measure of financial strength. Until now, the investment industry had to meet capital requirements set out by the Securities and Investments Board (SIB), the City's chief regulatory watchdog.

SIB officials are careful to point out that for a large number of firms, the cumulative capital requirement will not change; capital may simply be allocated differently among various business activities. But for a significant minority changes will be needed. For the first time firms which do not handle client money or trade for their own account will need to meet an initial capital requirement of £50,000 (£25,000).

Those which do handle client money will need £125,000 (£62,500) and those which deal for their own account and underwrite issues will need £250,000 (£125,000).

Under current UK rules there is no initial capital

### Norman Cohen assesses the changes under the directive on capital adequacy

requirement; all capital requirements are related strictly to the degree of risk involved in specified activities. The rules require them to hold enough capital to cover fixed overheads for various periods and to hold capital against trading positions, with the amount dependent upon the amount of risk.

The CAD will require all firms to have enough capital to cover fixed overheads for 15 weeks a year. Smaller fund managers and investment advisers of other types need capital only to cover four to six weeks of fixed costs.

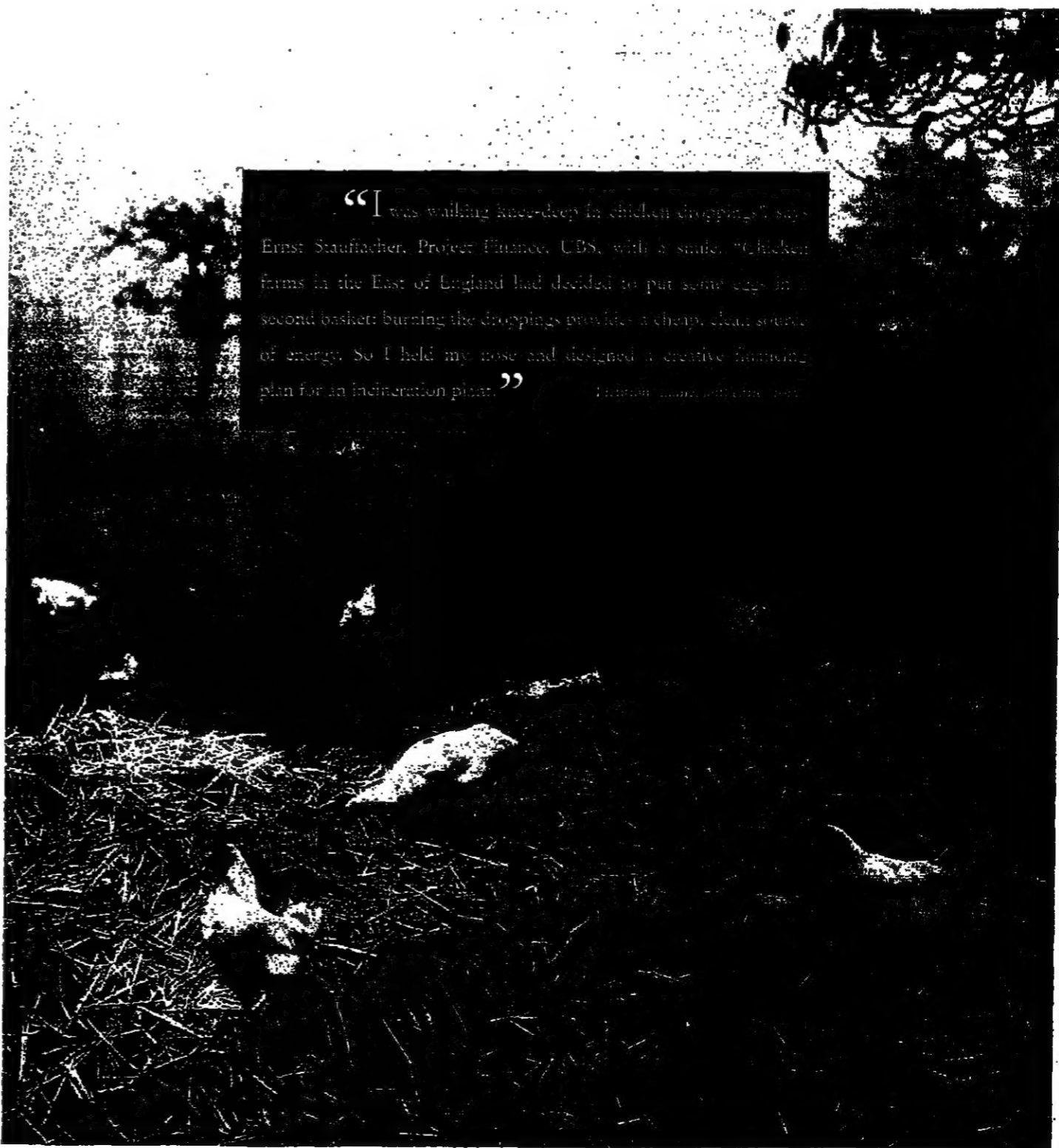
The so-called position risk requirements, which will mostly affect the securities firms which are members of the Securities and Futures Authority, are in some cases lighter than those in place.

But some firms will face tougher position limits. Current rules apply low require-

ments for securities firms that trade equities for their own book and meet strict portfolio diversification requirements. The CAD makes no adjustments for the extent to which diversification reduces risk and some securities firms, in particular the larger ones, may have to hold more capital against their portfolios.

Even among firms with no interest in operating overseas, hundreds may find they need to raise additional capital or alter their business mix. "A lot of firms will think 'Well, I'm not going to use the European passport so this won't affect me,'" said an SIB official. But the regional stockbroker in Maidstone is as subject to the new rules as S.G. Warburg, a fact which has not yet fully penetrated the industry, regulators say.

Regulators point to a number of mitigating factors. The EC's Capital Adequacy Directive applies only to investment business as defined by the Investment Services Directive, which specifically excludes firms which only give advice. Fimbra, the self-regulatory body for financial advisers, estimates that is the case for more than 80 per cent of its members.



"I was walking knee-deep in chicken droppings," says Ernst Stauffacher, Project Finance, CDS, with a smile. "Chicken farms in the East of England had decided to put some eggs in a second basket: burning the droppings provides a cheap, clean source of energy. So I held my nose and designed a creative financing plan for an incineration plant."

Not banking as usual.

Union Bank of Switzerland

NEW YORK, LONDON, PARIS, FRANKFURT, ZURICH, GENEVA, SINGAPORE, HONG KONG, TOKYO, LUXEMBOURG, MADRID, MONTE CARLO, MILAN, MOSCOW

هكدامن الاصل

# MANAGEMENT: THE GROWING BUSINESS

BSI's environmental management system may cause difficulties for small firms, writes Peter Carty

## Struggling with new standards

Many small businesses struggling with BS5750, the British Standards Institution's quality systems standard, may soon have to grapple with BS7750, its successor for environmental management systems.

The BSI decided to develop the standard because it wanted to respond to increasing concerns about environmental performance. BS7750 details a specification for an environmental management system that will enable an organisation to ensure compliance with its chosen environmental policies. It also contains advice on how to put the system in place.

Having the management system will facilitate environmental auditing of the organisation and compliance with BS7750 will prepare it for participation in the EC's eco-management and audit scheme (Emas). The environmental management system laid down in BS7750 has a lot in common with that of BS5750. Indeed, the similarity in the numbering of the two standards is intentional to demonstrate the strong links between them. BS7750 can be seen as an add-on to BS5750.

Both standards have something else in common: just as compliance with BS5750 is no guarantee of an organisation's output being of high quality, since low-quality targets can be set within the system, so compliance with BS7750 does not ensure good environmental performance. Toxic emission targets, for example, could be set to unacceptably high levels.

A version of the standard has existed for over a year, but as yet the BSI does not think it has been developed enough to issue certificates of compliance.

Although at least one consul-

tancy, SGS Yarsley ICS, has been granting certificates, the BSI regards this as "premature and misguided".

But a pilot programme earlier this year to test the standard in more than 100 organisations has now ended, and a draft of the revised standard is out for public consultation until the beginning of September.

The final version should appear by the beginning of December and widespread certification should start after accreditation procedures have been set up to vouch for certifiers. In fact, the only significant revisions in the standard are those bringing it into line with Emas, under which businesses will undergo environmental audits and publish results. Emas is set to get fully underway in 1995.

The concern of small businesses is that BS7750 will cause them problems similar to those of BS5750: disproportionately high implementation and certification costs, and the thinning down of tender lists by excluding those who do not have it.

"BS7750 is a nightmare for small businesses," says Bernard Juby,

trade spokesman for the Federation of Small Businesses. "BS7750 we see as the incestuous cousin - it's even worse." Juby finds the standard more nebulous than BS5750, and is apprehensive of some councils and large companies making it mandatory in all but name for suppliers, in a similar way to that in which some have dealt with BS5750.

"It's supposed to be a voluntary standard," he complains of the latter.

Some of the businesses from the pilot scheme also think BS7750 is vaguer than BS5750. "It's probably slightly woollier because the subject area is less easy to pin down and define," says Sam Phillips, engineering manager at the Mann Organisation, a 50-employee company which recycles computers and electronic equipment.

The business has had to abandon implementation of BS7750 for the time being, partly because it is still busy with BS5750. "It would be very, very difficult I think for anyone to implement BS7750 if they haven't actually got BS5750," says Phillips.

"If you're coming at it cold, par-

ticularly small businesses without BS5750, they won't know their way from their elbow," agrees Richard Hall, TQM systems manager at the Renlon Group, a 26m turnover, 60-employee property preservation and construction company.

Chris Sheldon, the BSI's environmental spokesman, disagrees. He says experiences on the pilot scheme varied. For example the group of companies from the print and packaging sector, which included many small and medium-sized businesses, say they do not think BS7750 is a prerequisite for BS7750.

The signs are not promising for small businesses worrying about the expense of compliance with another standard. Phillips and Hall have experienced interest in their environmental management systems from large companies and local councils.

"They haven't actually put pressure on us in the sense of having it documented, but we have been audited by a couple of them to make sure that what we're doing



Bernard Juby



"BS5750 is a nightmare for small businesses. BS7750 we see as the incestuous cousin - it's even worse"

Federation of Small Businesses

meets their standards," says Phillips. He thinks that at some point there may be insistence on compliance with BS7750 before contracts are awarded.

One large company the Mann Organisation does business with is IBM. "The most likely position we would want to take with our suppliers for BS7750, once it does finally emerge, is, in a nutshell, encouragement," says Eric Dewhurst, engineering services manager at IBM's manufacturing and development site in Greenock, Scotland.

"It would not be a requirement in the sense of being mandatory," he thinks the company's policy will be similar to the one for BS5750, with which it normally expects big companies to comply, but not necessarily small ones.

The Renlon Group is applying for membership of the London Borough of Merton's approved contractors' scheme. BS7750 certification is not

mandatory to get onto tender lists for the council's contracts. "We don't insist upon it, but obviously when contractors are vetted to come in on the scheme we ask for various safeguards in that respect," says David Jones, a senior building surveyor in the council's property services department. However, Jones says the award of contracts can depend on whether a business has a certificate or not, and it may not always be possible to take small businesses' circumstances into account. Might they sometimes lose out as a result? "Possibly."

Jones says that at present environmental management systems are sometimes taken into account when awarding contracts and that compliance with BS7750 may be taken into account in the future. "If suppliers can show that they're moving towards that direction then I think we would take that on board in the selection stage of tendering."

The BSI is against mandatory application of BS5750 and is listening to small businesses' criticisms. It has set up an independent committee with small business representatives which is undertaking a survey of problems.

This may provide little insurance against future problems given the legal and social context of BS7750. Large organisations are concerned about public perceptions of their environmental performance and have legal responsibilities under statutes such as the Environmental Protection Act 1990, the Water Resources Act 1991 and the Control of Pollution Act 1974.

"There will be an increasing trend for companies to require their suppliers to have some form of qualification and the ready-made qualification of the shell is BS7750," says Michael Renger, a partner in the environmental department of lawyers Nabarro Nathanson.

The screen flashes up an image of a Russian entrepreneur practising his karate skills, then driving around Moscow in a Lada. "This man has big business on his hands," Russian knitwear, a voice purrs in the background.

Alexander Panikin, 43, says he commissioned "The Factory-Owner", a video about his company Pan Inter, to present himself "as an example to others".

Promotional puff aside, he has grounds to boast. He manages one of Russia's rare small businesses involved in manufacturing, at a time when import-export operations dominate the new private economy. Panikin's business has emerged from the ruins of seven decades in which, he says, "the Communists destroyed everything that moved".

He was lucky to have accumulated capital in the dying years of the old regime when prices were controlled by the state and

## Entrepreneurs use creative skill to succeed

Leyla Boulton on survival tactics in Russia, where capital investment is almost unheard of

money lending was cheap. The irony today is that though prices have been liberalised, private trade allowed and privatisation is officially under way, new businesses find it virtually impossible to obtain finance for capital investment.

Last month the International Finance Corporation launched the first international effort to stimulate small and medium-sized businesses in Russia by lending \$15m (\$10m) to a Russian commercial bank for on-lending to new companies.

The IFC admits, however, that its contribution is just a drop in the ocean for Russian business development, until Russian

entrepreneurs are able to mobilise the billions of dollars potentially available in domestic capital when investment circumstances improve. With inflation running at 1,000 per cent a year, most entrepreneurs and banks have little incentive

to launch into any project that does not bring virtually immediate returns. Entrepreneurs such as Panikin, who are showing the way by a

combination of hard work, luck and initiative, are indeed a rarity.

Panikin set up his factory, which now employs 700 people, with profits made from a co-operative set up under legislation introduced by President Mikhail Gorbachev

**The International Finance Corporation is lending \$15m to a Russian commercial bank for on-lending to new companies**

in the late 1980s. "I started off with six sewing machines but I had a profit margin of 600 per cent," he says, illustrating the pent up demand

for consumer goods which existed in Russia's then closed, and now still heavily militarised economy. Today his margins have been reduced to 100 per cent by import liberalisation, which has introduced competition, and by price liberalisation, which has cut the population's purchasing power.

In an attempt to beat inflation, which destroys real earnings, he converts his profits into hard currency and immediately ploughs them back into the company.

Another challenge for business is that market institutions taken for granted in the west, such as efficient suppliers, distributors, and a normal banking system, are absent in Russia.

Panikin sells his clothes in 10 kiosks he owns around Moscow, which means he works mainly with cash, and relies on his own sales network to find out what sells and what prices he can get away with. In order to obtain the necessary quality he dyes the threads used for his knitwear.

The IFC's lending initiative is part of the international effort to stimulate business, but action needs to be taken in Russia to help budding Panikins. Irina Razumova, who heads a small business support centre with funding from the cosmetics company Avon and the Canadian government, says: "It is no bad thing that small businesses find it

difficult to raise finance for manufacturing as it is services that are needed. She adds: "The main problem is that our people do not know how to work." The business support centre provides short courses in accounting and management skills.

Razumova believes one of the biggest problems facing small businesses is people attitudes: how do you change the habits of employees accustomed to a system once jokingly referred to as "pretending to pay the workers while they pretend to work".

Higher than average pay packets (the equivalent of around \$100 a month) are still topped up with subsidised food, such as sugar, which is expensive in the shops, and other non-monetary benefits. Panikin's staff also receive benefits - clothes can be purchased at a 50 per cent discount from the sales price and Panikin has even given plots of land away to workers.

### BUSINESS OPPORTUNITIES

READERS ARE RECOMMENDED TO SEEK APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

#### EXTENSIVE MIDDLE EAST MARKET EXPOSURE SUPPORTING SPONSOR SOUGHT

Professional rally team with primary sponsor and factory support seeks additional sponsorship from an image conscious Corporation, or brand name committed to exploiting media exposure. High profile supporting package available. Contribution of US \$50,000 per annum needed to reap enormous potential, extensive TV and press coverage. Middle East Rally Championship event participation in 1994/95 seasons will enhance identity in Qatar, Kuwait, Jordan, Lebanon, Oman, Dubai with additional coverage in Bahrain, Egypt, Pakistan, Saudi, Yemen. Unique regional marketing opportunity for a performance lead organisation.

PRINCIPALS ONLY TRILEX 444 81 642 0454

#### STRATEGIC PARTNER REQUIRED

Computer aided facilities asset management system. Software house with developed powerful DOS platform. We are an M&E Engineering software company with CAFM software package products seeking a strong equity partner for very exciting future prospects.

Please reply to Box B1442, Financial Times, One Southwark Bridge, London SE1 9HL.

#### OCEANS OF OPPORTUNITY!

The acclaimed new production of Daphne du Maurier's "September Tide" is transferring from the King's Head Theatre to the West End in September. For details of how to invest in the Production, please contact Julius Green, King's Head Theatre, 115 Upper Street, Islington, London N1 1QN. Tel: 071 226 8561.

Investment in the theatre is highly speculative. This advertisement has been approved under the Financial Services Act (1986) by a company regulated in the conduct of investment business by the Law Society.

#### Management Buy-Out

What is your company worth? PC spreadsheet valuation model, as used by venture capitalists. £49.95 + VAT.

For further details contact: BIAS (London) Ltd, 28 Grosvenor Street, London W1X 9HE. Tel: 071-917 4711 Fax: 071-917 6002

#### ESTABLISHED LLOYD'S BROKER SEEKS NEW BUSINESS PARTNERS.

Please reply to Box B1436, Financial Times, One Southwark Bridge, London SE1 9HL. Confidentiality guaranteed.

#### PRIVATE INVESTOR SOUGHT

for equity investment of up to £2 million in medium sized quoted building materials company. Strong brand name. Dominant position in UK market. Write to Box B1440, Financial Times, One Southwark Bridge, London SE1 9HL.

CHIEF EXECUTIVE with considerable "turnaround" and "startup" experience in publishing, broadcasting and electronic industry seeks new PA responsibilities. Write to Box B1438, Financial Times, One Southwark Bridge, London SE1 9HL.

INTEREST INVITED FOR A SLEEPING PARTNER A Scottish restaurant with great potential. Please contact ASAP. Mr. Anderson 0796 481403

#### CONVENIENCE MARKETING

Convenience retailing is a boom industry currently estimated at 100,000 shops. We are expanding our sales force and merchandising network to sell our products (currently in 5,000 shop shops) nationally. If you have a similar interest we can offer you a stake in this enterprise on a joint venture basis.

Write to Box B1443, Financial Times, One Southwark Bridge, London SE1 9HL.

#### CHANNEL ISLANDS

Offshore Company Formation and Administration. Also Liberia, Panama & BVI etc Total offshore facilities and services.

For details and appointment write: Croy Trust Ltd, Belmont House, 2-6 Belmont Rd, St Helier, Jersey, C.I. Tel: 0534 78774, Fax 0534 35401. Tlx 4192327 COFORM C

#### GREETINGS

Loading publisher of greeting cards and stationery products in new housing the supply and servicing of its national retail base on a regional basis. Potential distributors should have successful track record in running a business. £25,000-£50,000 working capital. You are offered an opportunity to participate in a genuine business with substantial income potential.

TEL: 061 488 4469

#### MERGER & ACQUISITION SPECIALIST

South of England. Looking for a professional partner with capital. Write Box A4745, Financial Times, One Southwark Bridge, London SE1 9HL.

#### BANK VERSUS PRIVATE FUNDING?

Private Group Ltd. 23 years wishes replace bank funding and cut out "middle man". Engineering/Property Group. Absolute security backed by legal charge. PG Principals only.

Box B1434, Financial Times, One Southwark Bridge, London SE1 9HL.

#### MALTA

Successful experienced UK Director relocating to Malta seeks challenging position in manufacturing industry. New start ups/turnarounds a speciality. Tel: 0742 830622

COMMERCIAL FINANCE/VENTURE CAPITAL - variable rates - variable fees. Anglo American ventures Fax: 0024 201377

VCR - there are over 100 million VCRs in use. Write to Box B1439, Financial Times, One Southwark Bridge, London SE1 9HL.

PREMIER WIND SURFING CENTRE W. SUSSEX Licensed club, beach lounge, changing 23 more sites. Freshwater. Members and sponsors considered. 0843 574230

### BUSINESSES WANTED

#### COMPUTING

UK Company active in IBM mainframe MVS environment sought by European concerns. Location/sales open. Established technical support capabilities necessary. Reply in confidence.

PFM Ltd. Tel: 0792 474111 Fax: 0792 474112

Successful Computer Services Company wishes to acquire similar business with strong preference for contact hardware maintenance.

Write to Box B1378, Financial Times, One Southwark Bridge, London SE1 9HL.

#### BUSINESS SERVICES

##### LOOKING FOR A REPRESENTATIVE IN GERMANY

who offers your products to interested clients, establishes business connections or acts as postal address? Write to: MB CONSULTING - PO Box 180203, 42627 Solingen - Germany

#### DELAWARE (USA) CORPORATIONS

Quality confidential service. Reasonable cost. Call/Write for free brochure: Delaware Registry Ltd., PO Box 864-FT, Wilmington, Delaware 19899 USA. Tel: 302-652-6532 Fax: 302-652-8798. 800-321-CORP (USA only)

JAPAN MARKETING RESEARCH COMPANY Branch formation, accommodation address details target marketing London and Tokyo. Tel: 081 541 1541 Fax: 081 547 1424

YOUR OFFICE IN LONDON FROM 70p a day. Account/Trade/Referral Mail Box etc. Office Box. Tel: 071 456 0781 Fax: 071 580 5728

HARLEY STREET BUSINESS CENTRE. Fully serviced offices, business address, boardroom, all essential services plus free telephone and message facility for further details. Phone: 071 637 8595.

GROSVENOR STREET, W1 Lux. turn, serviced offices, etc. 6 Lux. from £95 per month terms. Tel: 071 453-7830

YOUR MAILING ADDRESS IN London, Paris, Berlin, Frankfurt, Madrid and 70 other top locations worldwide. Call Tignes on 071 672 5850

#### HOTELS & LICENSED PREMISES

##### CAVE CASTLE GOLF HOTEL

NR. HULL HUMBERSIDE. 29 bedroom commercial hotel with challenging 18 hole course. £140,000 trading profits (average 2 years). P.P. extension & leisure club. FREEHOLD OFFERS. ROBERT BARRY & CO. TEL: (0423) 566362

### SALE BY AUCTION

#### Due to the Rationalisation of GEC Alsthom Turbine Generators Limited

At Westinghouse Road, Trafford Park, Manchester, England. On Thursday 9th September 1993, at 11 a.m.

1000 LOTS OF HEAVY ENGINEERING AND C N C MACHINE TOOLS, PRODUCTION AND TOOLROOM MACHINERY, INSPECTION AND FACTORY EQUIPMENT.

Viewing Wednesday 8th September and Throughout Sale Day

Further Details and Auction Catalogues From:

**HENRY BUTCHER**

BROWNLOW HOUSE, 50/51 HIGH HOLBORN, LONDON WC1V 6ES. TEL: 071-425 5507. FAX: 071-405 9772. TELE: 887577. Also at Birmingham, Bristol, Leeds, South London, Southampton.

#### CONTRACTS & TENDERS

##### JOSEPH ROWNTREE FOUNDATION

Companies are invited to tender for the provision of driving lessons throughout the UK and Northern Ireland, 1992 contract value £0.75m. Tender documentation may be obtained from:

Mr J A Laird, Administrative Services Manager, Joseph Rowntree Foundation, The Family Fund, Navigation Wharf, York YO1 1ZZ

#### COMPANY NOTICES

##### Centisetal (Bermuda) Limited

US\$250,000,000 Floating Rate Notes due 2006 Guaranteed by Hungarian Foreign Trade Bank Ltd

Notice is hereby given that as the valuation date 11th August 1993, the value of the zero-coupon obligations (or certificates representing interests in obligations) of the United States of America was US\$112,948,000.00 and the value of the Company's reserve fund was US\$66,116,399.12. The aggregate value of the Noteholders' security was thus 59.19 per cent of the principal amount of Notes outstanding at the valuation date.

The determination and publication of these figures is solely for the convenience and information of the Noteholders and shall not be binding for any purpose on the Trustee or the Reserve Fund Manager or the Reserve Fund Reporting Agent nor shall it be taken as a recommendation on the part of the Company, the Valuation Agent, the Trustee, the Trustee, the Reserve Fund Reporting Agent, or the Reserve Fund Reporting Agent to buy, sell or hold investments similar to the zero-coupon obligations of the United States of America or the Reserve Fund investments.

Valuation Agent: Gite Credit Bank Aktiengesellschaft der Sparkassen, London Branch

**MOTORS** SAAB IN WATKINSVILLE The full range of new Saabs and probably the largest selection of superior used Saabs in the Midlands. Lion Garage Ltd, Royal Leamington Spa. Tel: 0522 435221

### BUSINESSES FOR SALE

#### FOR SALE BY PRIVATE TREATY Freehold development site

HOME FARM, SINDLESHAM, WOKINGHAM

Planning consent for residential training centre, offers sought in the region of £1M subject to contract.

For further information contact: Robert Agsteribbe

Chesterton

071 495 7282

York House 17 Great Cambridge Place London W1W 7LA

#### OWN A WHOLE COUNTRY NOT JUST A FRANCHISE!

○ Become the exclusive Franchisor of our System in the entire United Kingdom. You will own the existing regional office in London which has over One Million Pounds in annual gross volume and growing.

○ Three other regional markets would also be developed by you throughout the United Kingdom.

○ Turnkey Set-up: Existing operations with over 55 Franchises and 175 customers in operation. We are a leader in the dynamic and rapidly growing building service industry.

○ 2,800 Franchises worldwide

○ Qualifications: Must have marketing and sales experience with liquid assets of £300,000.

For details: U.S. 619-584-1911/Fax: 1-619-584-4923

#### PLANT FOR SALE

Fully automatic cosmetics and plastics manufacturing plant. Fully equipped with machinery and tool repair. Large premises 50,000 sq ft. Office block included. Fleet of all types of vehicles. Very good distribution system. Excellent expansion opportunities would suit pharmaceuticals. Situated in a highly developed country in Africa. Famous brand names. Genuine buyers with proof of finance only. Worth £5 million.

Write Box B1437, Financial Times, One Southwark Bridge, London SE1 9HL.

#### BUSINESS FOR SALE

Proven plastic hose clip product, with patent protection in 22 countries. Turnover £360k, profitable, with potential for growth. The company owning this branded product is for sale. Principals or interested parties for disclosed principals please reply to Box B1410, Financial Times, One Southwark Bridge, London SE1 9HL.

#### MOTOR VEHICLE DEALERSHIP FOR SALE

Principals wishing to retire. Exceptionally profitable business comprising prime freehold site close to motorway network on six acres. Principals only should reply stating investment criteria to: Box B1435, Financial Times, One Southwark Bridge, London SE1 9HL.

#### FOR SALE

1) Chain of fashion and textile shops in France (Cachemire) (Retail and wholesale)  
2) Antiques in France  
3) Gift shops in Holland (Glass and crystal)  
All in A1 location. The best opportunity in Central Europe and Holland. All businesses are very well established on local market.  
Contact: La Bédouine, (Kans) Dommestown 51, Rotterdam (Holland) Tel: 31-10-412 3904

The age of the disposable personal computer is here. In spite of the growing number of manufacturers producing "green" PCs, the sad fact is that most systems are built to be thrown away and, in the short term, little is being done to change that.

It all comes down to economics. In the world of PCs, new technologies are being introduced and adopted so quickly that it is rarely worth upgrading an older computer.

For anyone who does not want a disposable PC, there are theoretically a number of technologies that could make life easier. However, there is no guarantee as yet that they will work. One solution is the idea of the upgradeable computer processor. It has been used by various PC manufacturers over the years in building so-called "future-proof" PCs.

There is no better illustration of the pitfalls of this approach, though, than the recent array of "Pentium-upgradeable" systems. Pentium is Intel's latest computer processor. Pentium-upgradeable systems were supposed to allow users to remove the moderately powerful Intel 486 processors and replace them with the Pentium processors, as these became available to users, in order to achieve the much higher performance.

Unfortunately, when the Pentium processor was installed on the 486, over-heating problems occurred. In addition, memory and storage capacity were not always installed in the most appropriate configuration for Pentium-based systems.

Owing to such problems, even the properly-executed Pentium upgrade

## Price pressure

Upgrading a PC is possible but can cost as much, if not more, than a new model, finds Geoff Wheelwright



often ended up costing as much as buying a brand new Pentium system - and it still did not deliver the same levels of performance as an off-the-shelf model.

If upgrading PCs were just a matter of solving the problematic processor installations, however, an appropriate method could eventually be found. The complicating factor in the process is

the fast pace of change in the complementary technologies - especially in video display, memory and in data storage areas.

The performance of personal computer video in particular has improved dramatically in the past few years.

In most IBM-compatible PCs, video output is generated through the use of a display adaptor

expansion card that sits in one of the PC's "expansion slots", but these adaptor cards run at a rate of only 8 Megahertz. While 8 MHz speed was fine in 1984, today's fastest PC processors can run at between 40 and 60 MHz - with 100 MHz 486 processors not far off.

A variety of solutions to meet the video and memory requirements have been put forward including

video accelerators, faster processors on the video display adaptors - as well as more memory. Whatever changes are made to the video card, however, it still has to communicate with the motherboard of the PC at only 8 MHz.

And this is where "local bus" video comes in. This is a way for the video circuitry to talk "directly" to the processor over a "local bus" - rather than the standard AT expansion bus (data channel).

This means that a local bus video system has to be built on to the motherboard of the computer in a proprietary fashion - at least until some form of local bus video standard evolves. There are 32-bit expansion slots in existence, but none will yet operate at the speeds that can be achieved by hanging a local bus directly off the processor.

Local bus video systems claim to be able to run at between 33 to 50 MHz.

And with today's Microsoft Windows applications demanding that amount of additional performance, it is clearly a technology that will be increasingly in demand over the coming years.

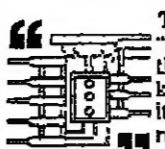
There have also been significant improvements in increasing PC memory capacity - either random access memory (RAM) or magnetic storage. Again, this would enable Windows applications to be loaded on to a system which originally had too little memory capacity to run such software.

Although technology advances make PC upgrades possible, they are still problematic. So if you want a better PC than the one you already own the most simple answer may be to buy a new one. The real challenge will be to find a home for the old computer.

## Technically Speaking

### Conflict in the computer market

By Bill Passmore



THE WORD "proprietary" to the computer market these days elicits much the same response as "cold war" does to the world at large. If the battle has not been won, then at least it has gone away. We now live in an open world.

Unfortunately, it is not true, and it would be dangerously complacent to think otherwise. The cold war is not over, only the players and territory have changed.

Open systems mean that users are not tied in to any hardware or software that will limit their future room for manoeuvre. They can select what is best for their needs, rather than what their supplier chooses to give them.

The traditional enemy of open systems was the hardware supplier, Mainframe and supermini suppliers provided computers with unique operating systems. If you built your company's computer strategy on such a platform, you were stuck with it.

However today, open systems users can rejoice in the knowledge that they have in the Unix operating system a stable software platform on which to build and a range of hardware from which to choose. All of the leading Unix vendors - including some of its erstwhile enemies - are now party to the Common Open Software Environment, or Cose, which aims to bring further commonality to the Unix world in such important areas as screen windowing.

This is good news for the user, but it is not being done entirely for the sake of standardisation. It is also being done because Cose members see the threat to openness of the dominance of a new proprietary enemy - Microsoft.

The software company has given the PC user an operating system and a range of tools and applications that dominate their markets.

Microsoft's more recent product offerings - its larger applications and, in particular, the Windows NT operating environment - are set to take it into the multi-user, multi-tasking domain - the province of the Unix vendor.

There is an uneasy alliance between the two sides of Microsoft's business - operating and applications software - which has given rise to anti-trust investigations at the US justice department. Rival applications vendors contend that Microsoft's ownership of Windows gives it an unfair time-to-market advantage.

It is in no one's interests that the balance of power should tip towards one company. Such a shift limits a customer's ability to choose, leading to less competition and less innovation.

There are already similar danger signs in the Unix-led market that Microsoft is now attacking. There is much at stake with Windows NT, Microsoft's Unix competitor, and Microsoft has said that it may alter the source code - the heart of the software - to prevent other companies from running applications in an NT-like environment.

What is more, despite claims to the contrary, NT is currently not based on recognised standards. (It has, for example, no X/Open recognition - the universally recognised mark of a standards-based open system.) If Microsoft continues to ignore this issue there will be a return to the days when users were beholden to the dictates of their suppliers which would be the very antithesis of openness.

There is a far more worrying threat to open systems. Novell acquired Unix Labs, which owns Unix, a few months ago. The company is determined to challenge Microsoft's dominance and it will build volume not just for Unix, but for its own Unix applications.

But Novell may go further than this. One senior vice-president was quoted in July as saying, "Unix will be proprietary". Suddenly the idea of a closed Unix is no longer unthinkable.

The computer market is intensely competitive. But unfortunately, the hard-fought principle of open systems is in danger of being lost in the process. It was users who fought for open systems; it will be users who suffer in a conflict of this kind.

Bill Passmore is vice-president, northern Europe for Sun Microsystems.

## A giant leap forward

Scientists at International Business Machines' Adstar data storage division in San Jose, California, have achieved a breakthrough that is expected to increase the amount of data that can be stored on a computer disc drive by a factor of about 30 by the end of the decade.

The Adstar scientists predict their new method of producing a phenomenon called "giant magneto-resistance" will make it possible to store up to 10bn bits of information per square inch of the surface of a computer disc. This is roughly equivalent to storing all of the text of 10,000 300-page novels on a double-sided, 3.5-inch hard disc drive.

Magneto-resistance is a change in the electrical resistance of a material when it is in the presence of a magnetic field.

IBM has pioneered the use of this phenomenon in data storage systems. Data is stored on computer

disc in the form of minute magnetised spots. When a magnetoresistive sensor or "head" skims over the surface of the rotating disc it passes through the tiny magnetic fields produced by these dots and its electrical resistance is changed, producing a signal that "reads" the bits of data stored on the disc.

However, as the density of data stored on computer discs increases, the magnetic spots become smaller and smaller and it becomes more difficult to detect their magnetic fields.

The giant magneto-resistive effect represents a potential solution to this problem. It produces an electrical signal more than five times stronger than that produced by heads based on conventional magneto-resistive technology.

Until now, laboratory demonstrations of giant magneto-resistance have required exotic materials, very low temperatures, or complex processes. However, the IBM researchers have designed a giant magneto-resistive sensor that is relatively simple to make. It is based upon a stack of very thin layers of magnetic (nickel-iron alloy) and non-magnetic (silver) materials.

Fabricated using standard semiconductor production techniques each layer of material is only about two billionths of a meter thick.

The structure is then annealed in a furnace to align the magnetic poles of adjacent layers in opposite directions. When the structure is placed in a magnetic field, all of the magnetic layers align in the

same direction, producing a "giant" signal.

Adstar now plans to move the technology into its development laboratories, to make prototype disc drive heads capable of reading data stored on a disc. The next step will be to optimise the materials and processes for mass production. The technology is expected to appear in products in about three years.

"There should be no fundamental problems in transferring the technology from the laboratory to manufacturing," says Kevin Coffey, one of the group of Adstar scientists that has worked on the project.

IBM has patent applications pending on the structure and the process for producing its giant magneto-resistive sensors.

An unusual aspect of the giant magneto-resistive sensor development is that it was conducted within the IBM product group, rather than at the company's research laboratories.

The research was conducted as part of an "IBM Fellow" programme, under the leadership of Kent Howard, one of IBM's leading scientists who was made an IBM Fellow three years ago. The programme gives IBM's top scientists great latitude to pursue their research interests and work directly with product groups.

For computer users, the development promises higher density and lower cost data storage. This is becoming increasingly important with the advent of multi-media computing requiring storage of large quantities of data including video, voice and graphics as well as text.

Louise Kehoe

## BUSINESSES FOR SALE

**BUSINESS FOR SALE**  
Portfolio of buildings which include over 300 letting rooms, growing £16K Weekly.  
All Freeholds. Well maintained and under management. Situated S.E. England. Principals only.  
Write to Box B1421, Financial Times, One Southwark Bridge, London SE1 9HL

**US PUBLIC RELATIONS FIRM FOR SALE**  
Strong ROI, medium size. Good acquisition candidate. Has super potential growth picture.  
For details, write: Box B1422, Financial Times, One Southwark Bridge, London SE1 9HL

**TRAINING COMPANY**  
London-based IT training business with excellent management team and high client base. 700 £1.2m p.a. 220k+  
Contact GMA, Pligwin House, Cleeve Road, Southampton SO1 1AG (0703 334634) for more details  
IT ACQUISITION SPECIALISTS

**RAISED FLOOR**  
Patented and proven raised floor system manufacturer-installer with unique features for new/refurbishment of offices/apartments.  
Tel: 041 952 1114

**TAXLOSS C/F 400K**  
Leisure Goods Company for sale, non-trading.  
Write to Box B1425, Financial Times, One Southwark Bridge, London SE1 9HL

**SENEGAL**  
400 bed modern hotel village. DMG million offers?  
Spain 400 bedroom, (1,000 beds) hotel. £3 million.  
Michael Pegg.  
Tel: 0272 420243

**To ADVERTISE YOUR LEGAL NOTICES**  
Please contact  
**Tina McGorman**  
on 071 873 3528  
Fax: 071 873 3064

**RIVER/BUS**  
The Management of The River/Bus Partnership offer for sale the business of The Thames River/Bus Service  
■ Unique passenger service operating on the River Thames in London  
■ Seven 62 seater catamarans suitable for operation on inland and estuarial waters  
■ Maintenance barge with 100t crane  
■ Skilled staff of 70  
■ Turnover of c.£1.5 million p.a.  
For further information, please contact in the first instance Vivian Kiskadee

**ROBSON RHODES**  
Chartered Accountants  
186 City Road, London EC1Y 2NU  
Telephone: 071-865 2243 Telex: 886734  
Fax: 071-253 4629  
RSM International  
Authorized by the Institute of Chartered Accountants in England and Wales to carry on investment business

On the Instructions of Country Care Homes Ltd  
**11 Nursing and Rest Homes predominantly in the North**  
  
Opportunity to acquire as a group  
Asking Price Offers in excess of £7,540,000  
Freehold.  
Also available individually  
For further details and an appointment to view please contact:  
Thalia Turner, Christie & Co, Manchester Office  
061 833 3311  
**CHRISTIE & CO**  
CORPORATE DIVISION

**FOR SALE**  
For \$3,000,000 US Dollars  
A 45-year Leasehold on a 595 room, three star New York hotel. Buyer must spend US\$5,000,000 in renovations over the first two years.  
Rent starting at \$2,941 per room, per year.  
Hotel currently grosses in excess of \$15,043,839 per year.  
Major franchise may be available.  
Write Box B1433, Financial Times, One Southwark Bridge, London SE1 9HL

**Britflex Limited**  
(In Administrative Receivership)  
The Joint Administrative Receivers offer for sale the business and assets of the above company.  
Principle features include:  
■ Manufacture and installation of bridge joints.  
■ Patent holder of market leading BEJ joint.  
■ Turnover of approximately £6 million p.a.  
■ Public and private sector customer base.  
■ Order book of approximately £1.3 million.  
■ Freehold and leasehold premises.  
■ Experienced workforce.  
For further information please contact:  
G. Bruce,  
Arthur Andersen,  
Forthergill House,  
16 King Street,  
Nottingham NG1 1AS.  
Tel: 0602 353900. Fax: 0602 353949  
**ARTHUR ANDERSEN**  
ARTHUR ANDERSEN & CO SC  
Arthur Andersen is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business

**FREEHOLD PROPERTY FOR SALE**  
formerly traded as  
**Camden Contact Lens Centre**  
The Law of Property Act Receiver, M Mosses offers for sale the above property. Principal features include:  
■ 4 storey, 4,500 sq ft comprising a mix of retail, office and residential accommodation  
■ fully fitted out as a contact lens centre  
■ located at 32-36 Camden High Street, London NW1  
For further information, please contact  
Maurice Mosses of Levy Goe and Partners,  
100A Chislehurst Road, London NW1 8EH  
quoting reference L3224/88. Telephone  
071-267 4477. Facsimile: 071-485 1486.

**PC Dealer & Value-Added Reseller**  
South East  
The Joint Administrative Receivers offer for sale, as a going concern, the business and assets of this supplier of leading brand hardware and software products to the corporate market place.  
Salient features include:  
■ Annual turnover in excess of £4.5 million  
■ Modern leasehold head office premises.  
■ In-house developed software products.  
■ Established corporate customer base.  
■ Current order book circa £300,000  
■ Maintenance contracts.  
For further information contact the Joint Administrative Receiver, Antony Thompson.  
KPMG Peat Marwick, Aquila Court, 31 Fishpool Street, St Albans, Hertfordshire AL3 4RF. Tel: 0727 843000 Fax: 0727 864423  
**KPMG Corporate Recovery**

**Touche Ross**  
**Rumney Engineering Limited**  
(In Administrative Receivership)  
The Joint Administrative Receivers R. G. Ellis and A. M. D. Bird, offer for sale the business and assets of the above company located at Rumney, Cardiff.  
■ Principal Business - manufacture, installation and maintenance of cranes and mechanical handling equipment.  
■ Freehold property - 56,000 sq. ft.  
■ Turnover approx. £2m.  
■ 60 employees.  
■ Substantial order book for Blue Chip customer base.  
For further information, please contact D. Hill or C. Trigg at the company on 0222 792861 or, alternatively, at the address below.  
Blenheim House, Fitzalan Court, Newport Road, Cardiff CF2 1TS.  
Tel: 0222 481111. Fax: 0222 482615.  
Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

**FOR SALE**  
SMALL PUBLISHING COMPANY  
with specialised trade directories.  
Titles established over 20 years.  
Reason for sale - company no longer fits into core business. Given the right attention and support the company has great potential for expansion.  
Write Box B1427, Financial Times, One Southwark Bridge, London SE1 9HL

**FOR SALE**  
Long established medium sized engineering company operating from freehold premises in West Midlands location.  
Design and manufacture of fig. features, multi drillheads and special purpose machines.  
BS 5750 Part 1 approval for design and manufacture.  
Principal reply only to Box B1423, Financial Times, One Southwark Bridge, London SE1 9HL

**FOR SALE**  
CENTRAL LONDON HOTEL  
(70 Bedrooms) Russell Sq. WC1  
Prime location, 70 Bedrooms (134 sleep in Restaurant) 501 Bar, Lounge, Laundry, Lift + 4 Bedroom SC Flat, Towels & Commercial Trade. Offers in excess of \$950,000 Leasehold. (All proposals, including Management considered).  
Write to Box B1424, Financial Times, One Southwark Bridge, London SE1 9HL

Publication last week of the Monopolies and Mergers Commission's long-awaited report on British Gas shot Mr Graeme Odgers into the public limelight for the first time in his new role as MMC chairman.

Although Mr Odgers arrived at the MMC too late to be closely involved with the report, the generally favourable reaction to the commission's findings has ensured a good start for the Odgers' era.

However, it is too early to judge whether the appointment of Mr Odgers, an experienced industrialist, will translate into an overall change in approach to competition policy.

Mr Odgers' appointment by Mr Michael Heseltine, trade and industry secretary, last December, was generally seen by observers as another step towards a new approach to competition issues.

When Mr Heseltine took over at the DTI, he promised a pro-industrial policy, intervening to help British companies "before breakfast, before lunch, before tea and before dinner". As an industrialist and the first non-lawyer to head the Commission, Mr Odgers was seen as Mr Heseltine's man.

Mr Odgers' industrial credentials made him an ideal candidate for the task of bringing a more pro-industry focus to the work of the commission.

At Tarnac, he revived the construction company, increasing turnover from \$55m to \$1.5bn during his seven-year spell. He moved onto British Telecom, first as deputy chairman and chief financial officer and then as group managing director under the chairmanship of Mr Iain Vallance.

It was a very difficult time [at BT], says Mr Odgers. The telecommunications group was experiencing widespread problems and after "struggling manfully" with these for four years, he left suddenly in early 1990, returning to the construction industry as head of Alfred McAlpine.

Mr Odgers put his abrupt departure from BT down to "a clash of management styles" with Mr Vallance. One-on-one relationships are always difficult, he explains, unless there is real understanding and a coincidence of style.

"Perhaps I was too inflexible in some ways in my commitment to decentralisation and in my views about how a business should run to make the relationship work."

## Competition supremo

Robert Rice speaks to Graeme Odgers, head of the UK's Monopolies and Mergers Commission

Mr Odgers' public sector experience is also thought to have impressed Mr Heseltine. In the early 1970s he spent three years as head of the DTI's industrial development unit.

Peter Walker was then trade and industry secretary. But by the time Mr Odgers had taken up his appointment, there had been a change of government and he found himself working for Labour's Tony Benn.

The Conservatives saw the IDU as a vehicle for handling regional aid under the Industry Act; but under Mr Benn its role widened and Mr Odgers found himself heading the investigation and negotiation of support deals for lame duck companies such as motor manufacturer British Leyland.

"Heading the IDU in the middle of an industrial crisis and trying to reconcile the political aspirations of one's masters with the industrial and commercial realities of the marketplace was what I call a challenging job," he says.

He found the experience "riveting", so much so that when the opportunity of returning to the public sector presented itself - as head of the MMC - he had little hesitation in accepting.

The only hole in his curriculum vitae as far as the MMC job was concerned was the lack of a legal qualification. At the time of his appointment, this lacuna was seen by many as an advantage: Mr Odgers was viewed as a hands-on industrialist prepared to inject some much-needed pragmatism into the legalistic procedures which surround UK competition policy.

Three and a half months into the job, Mr Odgers is not so sure. The commission operates within a legal framework, he says, failure to observe the law would result in its decisions being challenged in court. Mr Odgers has therefore been put through a series of tutorials with the Commission's lawyers, which he describes as



Odgers: off to a good start with the MMC's British Gas reports

"rewarding, but hard work". So is he Mr Heseltine's man? "Obviously, given my background, there was no way I was going to approach the job from a legalistic point of view. When looking at the public

competition, "If you don't have a sound competition environment you're not going to have sound competitive industries." "But," he adds, "competitiveness - the ability to compete in whatever is the relevant market - is also hugely important."

Does this mean that the enforcement of competition policy must be flexible - that it is pointless having strong competition in local markets if it prevents companies competing on the world stage?

"What I'm saying is that you have to identify what the relevant marketplace is in each case. What you don't want is, in stimulating competition within local and domestic markets, to stop your relevant industry competing in what turns out to be the real

marketplace, which may be the European or an international marketplace.

"Sometimes these conflicts occur and one has to take it into account, no question about it."

"Having said that," he adds, "the best stimulus to the creation of strong international competition is a strong competitive framework within your own domestic marketplace. If you don't have it, you'll have soft industry."

Mr Odgers is happiest talking about competition and its relationship to competitive advantage. He is less forthcoming on other issues such as reform of competition law, relations with the European Commission and the structure of the UK competition authorities.

He has yet to meet Mr Karel van Miert, EC competition commissioner, but foresees no problems in reaching common ground on a variety of competition issues with his EC counterpart.

Nor does Mr Odgers see the need for radical change to the UK law on the abuse of monopoly power - a view shared by his predecessor, Sir Sydney Lipworth. And he is cautious about any change in the relationship between the MMC and the Office of Fair Trading; he welcomes the recently announced government review of the OFT.

As an industrialist Mr Odgers is aware of industry complaints about the duplication of effort between the OFT and the MMC and the administrative burdens this places on parties involved in investigations. Mr Odgers would like to streamline and speed-up procedures, but maintains that, if the MMC is to do its job properly, then there are inevitably going to be burdens on industry. The process is, he says, "a balancing act."

Like his predecessor, Mr Odgers would welcome the appointment of more hands-on industrialists to the MMC but recognises the difficulties many prospective candidates would face in devoting sufficient time to the commission.

Barely 100 days into the job, he has changed his views in any way since arriving? He says he had not appreciated the full extent of the difficulties of competition policy. There are all sorts of internal dilemmas and inconsistencies which make any MMC judgment "so much more difficult than I had originally thought".

## Good faith at risk

Lloyd's case reveals a lacuna in English law, according to A H Hermann

It seems to be its contractual duty to stop the limit being overstepped. When inviting a prospective name to sign the contract, the Corporation gives him documents claiming that it controls the admission and operation of brokers and managing agents.

He who claims influence and power in making a contract should exercise it in performing it. Or, as Sir Henry Fisher, the judge, wrote in his 1988 report, the Names "can reasonably look to the committee [now the Council] for protection".

The Corporation's duty to respect the premium limits and inform Names of any doubt about the skill and honesty of the agents must be on the mind of the parties when signing the contract as "a matter of course" - a test of implied duty.

The other test, that such implication is also necessary, is obvious: no person in his right mind would put in another's hands not only his fortune but also the power to bankrupt him by undertaking in his name risks without limit; nor would he forgo the right to be informed about mismanagement or dishonesty by those underwriting risks in his name.

If the higher courts decide that the Corporation has such a duty of care towards Names, the case will return to the High Court for trial. To succeed, the plaintiffs will have to prove the Corporation failed to protect them against exposure to risks substantially exceeding the agreed premium limit and that the Council did not even inform them of the conclusions of the Chester Committee of Enquiry. This alleged certain underwriters and brokers were claiming they kept business within the agreed limits when they were exceeding them.

The plaintiffs add that the Council allowed the agents to continue to operate on behalf of the Names though it found the Chester report's allegations serious enough to stop new Names joining the criticised syndicates.

The Corporation has made a number of reforms and is seeking corporate investors to underwrite insurance. The latter are likely to press for better internal controls. Yet the outcome of the appeal remains of great significance.

As it is a duty of a contractual agent to obey his principal's instructions, it would appear managing agents are organs of the Corporation and it is the Corporation which is the agent of Names.

This argument, which the plaintiffs seem to have overlooked, is reinforced by the fact that all premiums are collected by brokers admitted and supervised by the Corporation, and who also acted as managing agents of syndicates until 1987 when this conflict of interests was removed.

The contract leaves Names two safeguards: an individually agreed limit on total premiums, which limits the risk that may be underwritten in their name; or the statutory assurance that the object of the Corporation is to protect and further Names' interests and keep them informed.

Only the Corporation knows, or can take steps to know, whether the premium limit has been exhausted, and

## PEOPLE

### Brown to take on Rechem's problems

Shanks & McEwan, the waste management company, has hired Colin Brown from Exxon Chemical as the new operations director of the environmental services division.

Since he lives in the New Forest, Brown will be not too far distant from the incineration plant at Fawley, one of five sites around the country for which he will be responsible and which was last year fined for discharging arsenic into Southampton Water.

He also has the advantage of having worked in what Shanks & McEwan calls "a very closely allied industry". "They [Exxon] make the stuff and we destroy it," a company spokesman explains.

Both companies are also favourite targets of the green lobby - Exxon will long be associated with the Valdez disaster, while Rechem, acquired by Shanks & McEwan in 1981, has been under fire particularly at Pontypool, where it destroys toxic waste such as PCBs and dioxins.

Brown's appointment is not directly related to the Pollution Inspectorate's recent warning, in the course of its licence renewal, that Pontypool should improve the monitoring of its toxic emissions, according to Shanks. Instead, David Wheeler, the previous managing director of Shanks &

McEwan (Environmental Services), which incorporates Rechem and the technical services division of Shanks, had felt he himself had enough operational experience, but his recently appointed successor, Mike Averill, wished to reintroduce the post.

Brown, 38, a chemical engineering graduate from Bath, who joined Exxon 15 years ago, will be in charge of Fawley and Pontypool, the high temperature incineration plants that are part of Rechem, as well as Stewartry, Teesside and Tullis, all three part of the chemical treatment operation that comprise Shanks & McEwan technical services.



### Bodies politic



George Lapsley (above), senior partner of MCP Management Consultants, has been appointed president of the INSTITUTE OF MANAGEMENT CONSULTANTS.

Tony Lancaster chairman and chief executive of GAN Minister Group, and Reg Brown, chairman, Octavian Syndicate Management, have been elected president and deputy president respectively of the INSURANCE INSTITUTE OF LONDON, as from October 4.

Roger Westwood, president of the Society of Pension Consultants, has been appointed chairman of the OCCUPATIONAL PENSION SCHEMES JOINT WORKING GROUP.

Graham Marriner, head of the telecommunications information group at the Post Office, has been elected chairman of the TELECOMMUNICATIONS MANAGERS ASSOCIATION.

Chris Harris, director of Marine Emergency Operations at the Department of Transport, has been selected, following an open competition, to be the chief executive of the MARINE EMERGENCIES ORGANISATION executive agency when it is established in April 1994.

### Peter Allen retires early

Peter Allen, the deputy chairman of accountants Coopers & Lybrand, has announced his intention to retire from the firm in April next year when he will be 56.

His departure follows the decision by Brandon Gough, chairman of Coopers for the past ten years, to step down when his current term finishes in April 1994.

These moves clear the way for elections from among the partners for a new chairman, who will be able to select a fresh management team. The vote takes place in November.

Coopers says that Allen had told his partners earlier this year that he would be retiring and that he intends to take on a number of non-executive appointments.

He joined the firm in 1968 from university, became a partner in 1973 and partner in charge of the London office in 1983 before becoming managing partner in 1984.

He led a team that negotiated the merger with Deloitte Haskins & Sells in 1980 and after that became deputy chairman with responsibility for overseeing UK activities and acting as chairman of the management consultancy practice across Europe.

### Other departures

Edward Low has retired from STAVELEY INDUSTRIES.

Hamish Inglis has retired from WATSON AND PHILIP.

Michael Carr, deputy chairman of GRESHAM TRUST, has retired.

Mike Walsley has resigned as a director of J. BIBBY & SONS.

Graham Munson is leaving the BM GROUP; Graham Hall is resigning as a director of the group on completion of the disposal of BM Plant and Talbot Diesels.

Peter Mackenzie, a director of Sulzer (UK) and head of the textile machinery division, has retired.

There is a limited amount of marketing opportunities available at the conference

## FINANCIAL TIMES CONFERENCES

### INTERNATIONAL PACKAGING AND THE ENVIRONMENT

London - 18 & 19 OCTOBER, 1993

The Financial Times second conference on the international packaging industry will look at the implications of legislation and the opportunities and problems facing the industry and its customers. Co-operation in the packaging chain, whether recycling or incineration is the way forward will be examined, as well as the opportunities for new uses of resources.

Speakers include:

**The Rt Hon John Gummer MP**  
Secretary of State for the Environment

**Mr Hans Alders**  
Ministry of Housing, Physical Planning & the Environment, The Netherlands

**Mr Thierry Marraud**  
St Gobain Group

**Mr Dermot F Smurfit**  
Jefferson Smurfit Group

**Mr Walter Brinkmann**  
Coca-Cola International

**Mr William Seddon-Brown**  
Waste Management International

**Mr Michael C Coe**  
Lever Brothers Limited

**Mr Clemens Stroetmann**  
Federal Ministry for the Environment, Nature Conservation & Nuclear Safety, Germany

**Mr Yannis Paleokrassas**  
EEC

**Mr Colin J Williams**  
SCA Packaging Business Group

**Mr Matthias K Miranda**  
Frantschach AG

**Mr Andrew Somogyi**  
FEVE

**Mr John Chamberlin**  
Iggesund Paperboard (Workington) Ltd

**Mr Amédée Chomel**  
Groupement National des Hypermarchés

### INTERNATIONAL PACKAGING AND THE ENVIRONMENT

☐ Please send me conference details  
☐ Please send me details about marketing opportunities

**FT FINANCIAL TIMES CONFERENCES**

Financial Times Conference Organisation  
182-188 Clerkenwell Road, London EC1M 5SA  
Tel: 071-814 9770, Tlx: 27347 FTCONF G.  
Fax: 071-873 3975/3969

Name Mr/Ms/Ms/Other \_\_\_\_\_ Dept \_\_\_\_\_  
Position \_\_\_\_\_  
Company/Organisation \_\_\_\_\_  
Address \_\_\_\_\_  
Post Code \_\_\_\_\_ City \_\_\_\_\_  
Tel \_\_\_\_\_ Thx \_\_\_\_\_ Country \_\_\_\_\_  
Type of Business \_\_\_\_\_ Fax \_\_\_\_\_ HA

LONDON STOCK EXCHANGE

FINANCIAL TIMES

Footsie breaks through 3,000 barrier

(Financial Times 12/8/93)

For expert investment advice

**INVESTORS CHRONICLE**

From your local newsagent  
£1.60

هكدامن الاصل

## The Proms

## Sackman's 'Hawthorn'

Nicholas Sackman, the 43-year-old English composer, had this year his first commission for the BBC Proms. The result - a 25-minute piece for large orchestra entitled *Hawthorn* - was revealed in the Albert Hall last Thursday in a concert by the BBC Symphony under Andrew Davis, and will surely have proved immensely gratifying to all concerned. Sackman's output is not large (*Hawthorn* is only his second orchestral encounter); he works out his material with spare, unostentatious concentration; his concerns are not at all those of current fashion (i.e. minimalist note-spinning or the Holy-Mystic or the Neo-Brutalist persuasions).

*Hawthorn* is an example of Sackman's tautly contained musical argument, yet it manifests an intensity gradually but ineluctably built up, a cumulative power that I have not experienced in his music before. This may have been the "release" provided by a large orchestra, or by the novel (Glyn Hughes's *The Hawthorn Goddess*) which supplied the work's initial inspiration.

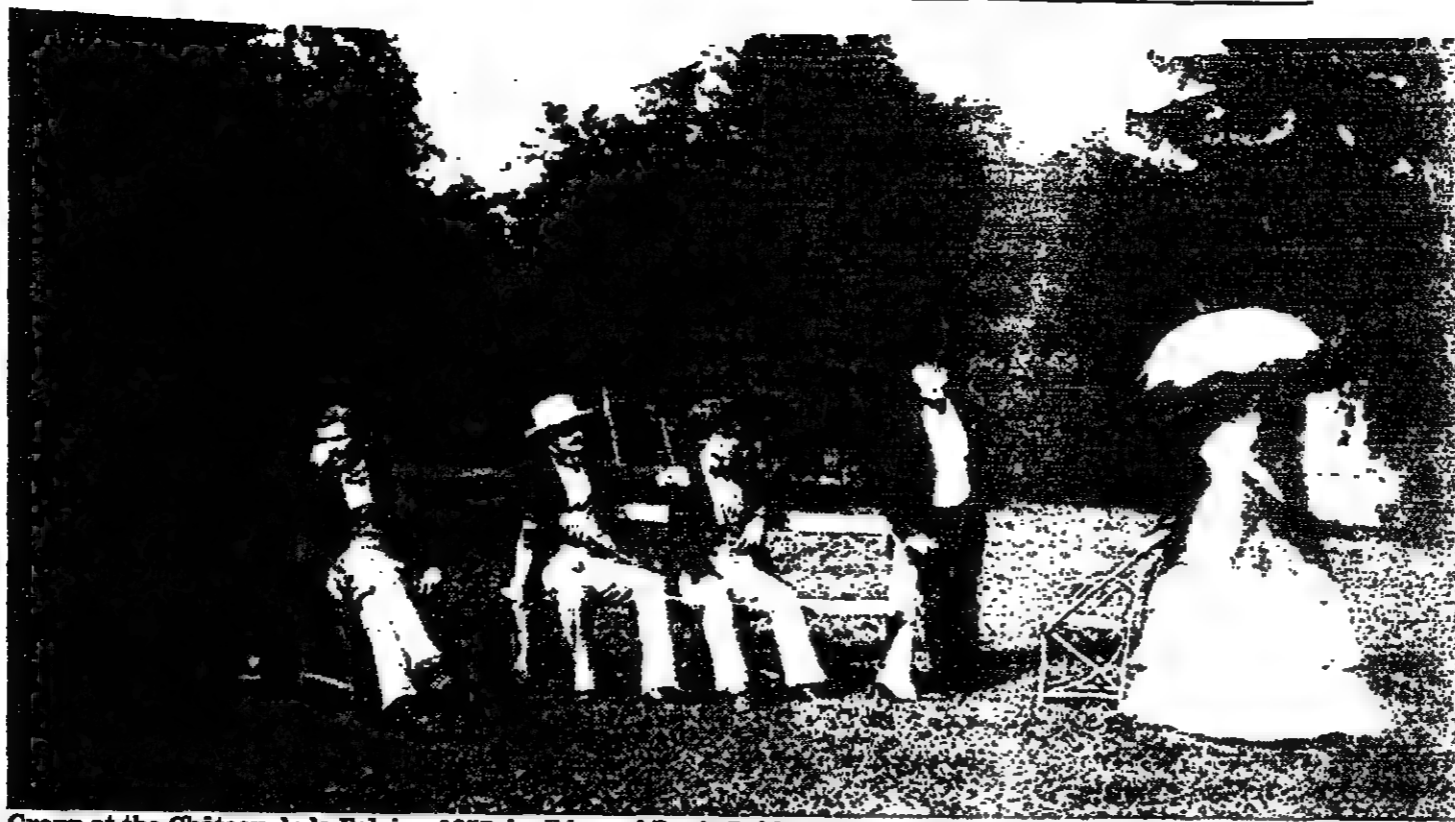
Whatever the cause, the music - in a continuous three-part (fast-slow-fast) structure - states its terms with remarkable confidence in their potential, and a control of their dramatic unfolding that kept me intent on the progress of every note. Those terms, described in wildly oversimplified fashion, might be said to be the central opposition of crabbled, jabbing, harmonically complex chordal chunks, rhythmically charged in their groupings, against lyrical lines growing ever freer and lengthier. In the finale, after the ruminatively spacious slow movement has run its course, the argument snowballs to its exhilaratingly lyrical coda with an exhilaratingly unstoppable energy which one senses had been honestly earned.

The orchestral colouring is comparably rigorous, with no element of artificial ear-catching, yet similarly strong - punchily athletic brass, strident strings, everywhere a "personal" command of timbre and texture. If (as Sackman suggested in a laconic programme note) *Hawthorn* is indeed something of a dry run for a possible opera based on the same material, I hope our opera administrators are already basting it out for the honour of realising that possibility.

Under Davis, always a sympathetic, precisely commanding interpreter of complex new works, the BBC Symphony gave the impression of relishing Sackman's rugged contrasts - rather more so, indeed, than earlier they had the glitter of Prokofiev's First Violin Concerto. But though the accompaniment may have been bland, the solo part was delivered with a sensational blend of virtuosity, sophistication and purring sweetness: Maxim Vengerov, 19 years old, was making his proms debut, in a way to cap even the most noteworthy of his previous London appearances.

Another of Davis's special gifts is 19th-century English music of an idiosyncratic, on the face of it, less challenging character, to which he brings such sweeping conviction that every ounce of original freshness is recovered. On Sunday, with the BBC Symphony Chorus and orchestra, he revealed this gift new. Delius's *Sea Drift* had Thomas Allen as a mature, affecting baritone soloist; John Ireland's *Isaac Concerto* showed Kathryn Gott in sparkling form; in Elgar's *The Music Makers* Jean Rigby's silky emotional and tenderly reticent All three works are Proms rarities, yet Davis allowed no hint of laxity or routine to spoil their latest appearance there.

Max Loppert



Group at the Chateau de la Faloise, 1857, by Edouard-Denis Baldus

## Past echoes of reality

William Packer catches the Gilman collection of photography

The *Waking Dream* is the one serious exhibition of visual art, of any sort, that this year the Edinburgh Festival acknowledges as part of itself. No matter that it comes fully fledged from the nest of the Metropolitan Museum of New York, and flies on to the Hermitage at St Petersburg for the winter: the Festival's engagement with the visual arts was ever thus - indifferent, opportunistic, conscience-free. And we, for our part, should simply be grateful that so many remarkable and wonderful images have been brought over for our delight.

The collection is the creation of Howard Gilman, present chairman of the paper company founded by his grandfather, who has concentrated his interest on photography's first 100 years, that is to say from the moment of its first practical demonstration by William Fox Talbot in the late 1830s up to the eve of the second world war. As a period it would seem to fit well enough, a nice round number that embraces all the principal technical developments, notably the progressive miniaturisation of the equipment and the ever-increasing ease and flexibility of its handling.

But perhaps such scope was, in the event, something of a snare and a delusion. The heart and substance of the show, and of the splendid book-cum-catalogue that goes with it, lie rather with the work of the first 60 or 70 years and its story of early experimentation, rapid maturity and sophistication and at last the conscious expressive potential achieved by the turn of the century. The 20th century is simply too rich a subject to warrant the afterthought allowed it here. Had the show ended at the first rather than the second war, the point would have been better made.

The point, to be fair, is half-acknowledged in the title of the show, which is taken from Keats's "Ode to a Nightingale" and worth the full quotation: "Was it a vision, or a waking dream? Fled is that music: - do I wake or sleep?" To catch the fleeting image on the wing, as picking notes out of the air, had always seemed quite beyond human reach. The note was played and was gone even as it was heard: and the thing seen? That too was gone or was changed even as it was seen, to be recalled only in its simulacrum. The excitement at seeing those

first shadowy, ghost-like echoes of reality appearing on the page may only be imagined, but it was real enough. Even now we may catch something of it, if only the faintest hint, not as excitement at all but in the poignant frisson of recognition we feel as we look again at those gentlemen, so studiously negligent in their stovepipe hats, those women sitting in dappled sunshine on the lawn, that broom still leaning against the door.

It is the nice irony that photography should have suffered ever since by the expectation raised at its very invention, that here was a mirror held up to nature. It was

never, could never be, any such thing. The double irony is that whenever it aspires, therefore, to the condition of art, its inherent and apparent realism is held against it, with affectation and self-indulgence summoned in aid. The truth of it is simple enough. Any fool can use a camera, or a pencil or brush for that matter. The camera is a tool available to the artist, with its peculiar virtues, limitations and disciplines to master and exploit. It is not its picking-up that makes him so but only the use he makes of it.

What makes so many of these early images so potent in their

effect upon the imagination is that whatever else they might have been thinking of, the photographers were primarily engrossed in the mastery of their medium. There is to their work a quality of definition and deliberation that can only be a function of the equipment to hand, and the opportunities it afforded. With everything ready and the pose set, even the landscape seems to hold its breath. Does it matter whether Lady Hawarden, using her daughters and nieces as her models at home in South Kensington, or Horatio Ross on stalking on his Scottish estates, thought of themselves as artists or mere amateur technicians? The images they produced are manifest works of art.

The much smaller exhibition, *Photographing Children*, hung low on the wall for the benefit of its young audience, contrives to ask many of the same questions of the photographers' attitudes and intentions. Its subject is the child, as photographed from the Edinburgh urinals of Hill and Adamson in the 1840s, through the conventional studio portraits of the later Victorians to Roger Mayne's Gorbals urchins of the 1940s and so on to the documentary and reportage, of such as Iain Stewart, Francine Dunkley, Owen Logan and John Charity, of today.

The work throughout is wonderfully appealing, and yet it is a curious paradox that for all the technical advantages and freedoms enjoyed by the modern practitioners, their material seems less definitive and universal in its imagery, and more incidental, narrative and sentimental. Is it that just another exposure is, well, just another exposure? Is it that the taking of the photograph is now so easy that all effort and consideration is directed at the mis-enclosure? Or are we simply too close to them to say? Perhaps we are. And perhaps this present glossy professionalism in time will take on the qualities of the even in the vintage prints of the 1950s.

*The Waking Dream: Photography's First Century*: selections from the Gilman Paper Company Collection; City Art Centre, Edinburgh, until October 2. *Photographing Children*: Scottish National Portrait Gallery, 1 Queen Street, Edinburgh, until October 3; sponsored by RAE Communications.



Alice Liddell as The Beggar Maid, by Lewis Carroll (Charles Dodson), 1859

## Mark Morris: three of the best

The audience cheers Mark Morris's second Edinburgh programme even more than the first - as do I. It includes three pieces all new to Britain: the J.S. Bach *Jesu, meine Freude* (good), the Michelle Shocked-Rob Wasserman *Home* (better), and the Lou Harrison (best). As in Programme One, the live music is so excellent you could shut your eyes all evening and have a great time. But I imagine that most people, while leaving the Meadowbank Stadium at the evening's close, must feel mighty bewildered - as do I. Who is Mark Morris? How in the world can the same man make three pieces so unlike?

As everyone must know by now, Morris makes homosexual dance look as natural as hetero; and in this respect he is a breakthrough choreographer. But *Jesu, meine Freude* shows another breakthrough side of him, lesser-known: that he means dance to express religious as well as secular conditions. It is very odd to see a dance set without irony to a Bach devotional cantata. Odd, because for over 16 centuries Christianity has been the religion most determined to divide flesh from spirit, and to make dance an irreverent and profane art. But here are 10 of Morris's dancers - dancers of various races, dancers with more flesh than you see in ballet, dancers linked in various AC/DC couplings - rapt in religious devotion.

As a dance, *Jesu, meine Freude* is bright with internal variety. Passages of severe upper-body gestures (reflecting the rigours of religious contemplation) are opposed to sequences of fluent, travelling dance (suggesting the lyric transports of religious rapture). The former keep leading to, are the premise of, the latter; and both grow naturally out of the music. I do, however, detect a certain absence of spontaneity, a slight nearer-my-God-to-thee self-conscious holiness, in the movement style that keeps me from surrendering to this dance's spirit.

*Home*, by contrast, is a powerful and poetic piece of secular Americana. Set to music composed and performed by Michelle Shocked and Rob Wasserman, it consists of six sections. Numbers 2, 4 and 8 are country music, communal dances, bright-spirited affairs, in which men and women "clog" in leather shoes. Numbers 1, 3 and 5, however, are scenes for women without men,

dark and bleak scenes of women in the agricultural mid-West, while Shocked sings with thrilling force of (no. 1, "I Need a Friend") loneliness, (no. 3, "Stillborn") depression, and (no. 5, "Winter Wheat") impatience. As *Home* alternates between these two tones, it grows ever more moving, harsh and compassionate at the same time.

The evening ends with an extraordinary work, an utter knockout work, *Grand Duo*, a four-part dance for full company. (Its final section, *Polka*, was seen here last year; the rest is new.) The music is by Lou Harrison (b.1917), an American composer whose music Morris has used before; what music of his I have heard strikes me as so superb that I am amazed how seldom it is played here. This *Grand Duo* for Violin and Piano, though composed only five years ago, is vintage modernism: driving, fragmented, with elements of folk music thrown into its furious engines.

Alastair Macaulay wonders how the same man can make three pieces so unlike

The tribal dance that Morris has made to this music is like the *Rite of Spring* you always wanted to see and never have. It is, at one and the same time, (a) a brilliant piece of primitivism, a pulsing vision of an archaic community, (b) a shocking portrait of neurological disturbance, an assembly of people seldom touching but united in violent and helpless gestures that need to be excoriated, their alarmingly frenetic energies emerging from deep within, (c) a work that shows people like cogs in a vast impersonal device, driven by machine rhythms.

*Grand Duo* is the most thrilling new dance I have seen for many a long month. It is, I believe, the greatest thing that Morris has made since the 1989 *Dido and Aeneas*; and, like that and other works of his, a masterpiece. Every praise to the dancers, who are the committed embodiment of Morris's grand design. Because of them, liking his dances is the easiest thing in the world. They make you fall in love again with dancing, dancing to music, dancing as instinct and life force.

## Scottish Variety - the Fabulous Fifties

The Edinburgh Festival is resolutely elitist this year (nothing wrong with that, of course). But it did throw up its skirts once for performances of Scottish Variety - the *Fabulous Fifties*.

This was a recreation of the last days of the music hall, when all the Grands and Empires throughout the land still presented weekly variety bills consisting of rough comedians and two sopranos, drag acts and dog acts. But the show at the King's Theatre was hardly a recreation. The theatre has changed little in 40 years. There is the red plush curtain; the brightly painted backdrops; the illuminated number board at the side to identify the acts; and, bless 'em, many of the old performers, Jimmy Logan, the Tiller Girls, and yes, even Susan Maughan, still hoofing it.

Time really was frozen. "Mr Happiness", Johnny Beattie, told jokes about seaside landladies and those idiots from Glasgow with impeccable timing; the Tiller Girls jack-

knifed across the stage, smiles superglued; there was even another chance for that extinct art form, the Scottish sketch, with a Rangers fan converting to Celtic on his dead bed so that the auld enemy would have one less supporter.

Of course you were reminded how awful much of it was - the 1950s must have been the worst decade for music this century - and some acts survived on routines that would make Bob Monkhouse blush. But it was clean and jolly and it really was variety. So what if the trampolines muffled their climax; who cares if a Tiller number; and tough luck that Susan Maughan is no longer "Bobby's Girl". The entertainers of the 1950s were at one with their audience and any snarling, expletive-ridden alternative comedian would have been silenced at last by this display of genuine folk art. He might even have risen and joined in the National Anthem at the end.

Antony Thornecroft

## INTERNATIONAL ARTS GUIDE

## AMSTERDAM

concertgebouw Tonight: Iona rown directs New Sinfonietta. Amsterdam in works by Tippett, ridge, Elgar, Bach and Corelli. tomorrow: Riccardo Chailly conducts Royal Concertgebouw orchestra in Ketting, Stravinsky and Rimsky-Korsakov. Thurs: Leonid dn conducts Hague Philharmonic orchestra in all-Tchaikovsky programme, with cello soloist Tim ough. Fri: Lucia Aliberti sings Italian para arias. Sun: Heinz Holliger conducts Junghe Deutsche hilharmonie in works by Holliger, eress and Schumann, with piano olist Andras Schiff. Next Mon: and van Nes song recital. Sep 4: do de Wast conducts Mahler's econd Symphony CBSO (24-hour mformation service 675 4411, ticket servations 671 8345)

## ANTWERP

International festival of cathedral ys' choirs takes place this week n various historical churches (225 323). Borodin Trio plays works

by Rakhmaninov and Tchaikovsky tomorrow at deSingel. A tableau vivant celebrating the 500th anniversary of the 16th century poet Anna Bijns can be seen on Fri, Sat and Sun at St Nikolaasplein. Next Mon at deSingel: Mariss Jansons conducts Oslo Philharmonic Orchestra in works by Schnittke, Dvorak and Shostakovich (Antwerp 93; information from Grote Markt 29, B-2000 Antwerp, tel 03-225 9300; booking by telephone from Tele Ticket Service tel 070-233233 or in person at Fnac, Groenplaats, 2000 Antwerp)

## ATHENS

Odeon of Herodes Atticus Thurs and Fri: Staats Theatre of Northern Greece presents Sophocles' *Electra*. Next Tues, Wed, Thurs: Zarzuela evening with Arnedo Vives Company. Sep 6-10: Culberg Ballet (322 1459)

## CHICAGO

RAVINA FESTIVAL Tonight: The Himmakers. Tomorrow: Gospel night. Thurs: Franz-Paul Decker conducts Ravina Festival Orchestra in works by Mozart and Richard Strauss. Fri: Spyro Gys and the Brecker Brothers. Sat: John Lee Hooker and John Diamond. Sun: Vietnamese night. Next Mon: actor Christopher Plummer takes a personal stroll through literature. The festival runs till Sep 6 (Tel 312-728 4842 Fax 708-433 4582)

## COPENHAGEN

Tivoli Tonight: orchestral concert featuring works by Sverndsen,

Nielsen, Elgar and others. Tomorrow: Marcello Viotti conducts concert performance of Verdi's *Otello*, with Cornelia Murgu, Renato Bruson and Nelly Milcic. Thurs: Copenhagen Violin Quintet. Sat: Beethoven Quartet of Rome plays works by Brahms, Mahler and Beethoven. Sep 7-12: New York City Ballet (3315 1012) Royal Theatre Tonight: Il barbiere di Siviglia. Tomorrow: Carmen. Thurs, Fri, Sat, next Mon and Tues: John Neumeier's production of Prokofiev's ballet *Romeo and Juliet* (3314 1002)

## LONDON

THEATRE ● Hysteria: Terry Johnson's new play about Freud, set in London in 1939. Phyllida Lloyd directs. Previews from Thurs, opens Sep 1 (Royal Court 071-730 1745) ● Time of My Life: Alan Ayckbourn's new bitter-sweet drama of middle-class family life in a northern city, with a cast led by Anton Rogers and Gwen Taylor (Vaudeville 071-836 9887) ● Much Ado About Nothing: Shakespeare's romantic comedy, starring Janet McTeer and Mark Rylands (Queens 071-494 5040) ● Inadmissible Evidence: John Osborne's 1964 play about the collapsing world of solicitor Bill Maitland, played by Trevor Eve. National Theatre repertory also includes *The Madness of George III*, Alan Bennett's award-winning history play starring Nigel Hawthorne, and *The Mounting Giants*, Pirandello's unfinished play about theatrical illusion, directed

by William Gaskill (National 071-928 2252) ● Separate Tables: Peter Bowles and Patricia Hodge in Peter Hall's production of the Terence Rattigan double bill about hotel guests trying to come to terms with the ageing process and loneliness (Albany 071-867 1115) ● An Inspector Calls: West End transfer of acclaimed National Theatre production of J.B.Priestley's psychological thriller (Aldwych 071-836 6404)

## MUSIC/DANCE

Royal Albert Hall BBC Proms: In tonight's concert, Mariss Jansons conducts the Oslo Philharmonic Orchestra in works by Soderford, Bartok, Stravinsky and Dvorak, with viola soloist Yuri Bashmet. Tomorrow's early evening concert features the BBC Singers, Matrix Ensemble and trumpet soloist Hakon Hardenberger in works by Well, Groez and Zimmermann, followed at 22.00 by a programme of Monteverdi madrigals with The Consort of Musicke under Anthony Rooley. Thurs: Pincas Zukerman is director and violin soloist with ECO. Fri: Witold Lutoslawski conducts British premiere of his Fourth Symphony. Sat: Barry Wordsworth conducts BBC Concert Orchestra in Berlioz, Tchaikovsky, Saint-Saens and Rimsky-Korsakov, with soprano Nancy Gustafson. Sun: Roger Norrington conducts Haydn's *The Seasons*. Mon afternoon: Raymond Leppard conducts BBCSO in Britten, Dohnanyi, Ravel and Tchaikovsky, with soprano Joan Rodgers. Mon and Tues evenings: Kurt Masur conducts Leipzig

Gewandhaus Orchestra (071-589 8212) South Bank Centre Tonight: Anglo-Chilean folk group Alkanza. Tomorrow, Thurs, Fri, Sat: Caribbean Carnival extravaganza. Next week: Opera Factory presents premiere of Xenakis' *The Bacchae* (071-928 8800) Sadler's Wells Daily till Sat: British Youth Opera presents *La boheme* and *La nozze di Figaro* (071-278 8916) Coliseum The 1993-4 ENO season, the first to be directed by the new team of Dennis Marks and Sian Edwards, opens on Thurs with a revival of Simon Boccanegra starring Gregory Ure and Janice Cairns. The opening week also includes performances of Kurt Weill's *Street Scene*, with Josephine Barstow and Lesley Garrett. The first new production is *La boheme*, first night Sep 15 (071-836 3161)

## ROTTERDAM

De Doelen Tomorrow: Richard Dufallo conducts Rotterdam Philharmonic Orchestra in works by Brahms, Grieg and Bernstein, with piano soloist Alexander Lonquich. Next Mon: Heinz Holliger conducts Junghe Deutsche hilharmonie in Holliger, Varnas and Schumann, with piano olist Andras Schiff. Sep 1: Arturo Tamayo conducts Rotterdam Philharmonic in Messiaen and Boulez (217 1717)

## WASHINGTON

THEATRE ● The Kentucky Cycle: Robert Schenkkan's tale of three families who settle, feud and die for the hills

and hollows of eastern Kentucky. The play, divided into two parts played on separate evenings, spans 200 years of American history, with a cast of 20 portraying 72 roles. Daily except Mon till Oct 23 (Kennedy Center Eisenhower Theater 202-467 4600) ● The Phantom of the Opera: Andrew Lloyd Webber's musical, directed by Harold Prince. Till Oct 2 (Kennedy Center Opera House 202-467 4600) ● Shadowlands: a love story by William Nicholson based on the life of C.S. Lewis and his American wife. Till Sep 5 (Olney Theater 301-924 2739) ● Kvetch: Steven Berkoff's comedy, till Sep 26 (Woolly Mammoth 202-393 3939)

## MUSIC

Wolf Trap Tonight: Natalie Cole, R&B. Fri: Anne Murray, easy listening. Sat: NRBO and Bodeans, rock'n'roll. Sun: Vince Gill, country. Next Tues: first of eight performances of Andrew Lloyd Webber's musical *Jesus Christ Superstar*. Sep 8, 9: Bob Dylan (1624 Trap Road, Vienna, Virginia, 703-218 6500) Blues Alley Jazz Supperclub Thurs till Sun: Freddie Hubbard Quintet (1073 Wisconsin Ave, in the alley, 202-337 4141) Merriweather Post Pavilion Tonight: Dance Theatre of Harlem, Paul Taylor Dance Company, Lar Lubovitch. Thurs: Tom Jones. Sat: Steely Dan. Next Mon: Jethro Tull and Procol Harum. Sep 1: Tony Bennett and Count Basie Orchestra (301-982 1800)

## ARTS GUIDE

Monday: Performing arts guide city by city. Tuesday: Performing arts guide city by city. Wednesday: Festivals Guide.

Thursday: Festivals Guide. Friday: Exhibitions Guide.

European Cable and Satellite Business TV (All times are Central European Time)

MONDAY TO THURSDAY Super Channel: European Business Today 0730; 2230

Monday Super Channel: West of Moscow 1230. Super Channel: Financial Times Reports 0630

Wednesday Super Channel: Financial Times Reports 2130

Thursday Sky News: Financial Times Reports 2030; 0130

Friday Super Channel: European Business Today 0730; 2230

Sky News: Financial Times Reports 0530

Saturday Super Channel: Financial Times Reports 0630

Sky News: West of Moscow 1130; 2230

Sunday Super Channel: West of Moscow 1830

Super Channel: Financial Times Reports 1900

Sky News: West of Moscow 0230; 0530

Sky News: Financial Times Reports 1330; 2030

## The chancellor's dilemma: an inside view

## Don't borrow, charge



The theme of these articles has been that the state of the public finances is the central economic policy problem facing the government today. It is simply imprudent for the government to undertake spending which exceeds its revenues by a fifth. Borrowing £50bn a year, much of it from foreigners who may at any point decline to go on lending to us, is a risky strategy.

The problem has arisen partly because recessions are always bad for the public finances. Elections are also bad news, as spending is increased and/or taxes are cut in the pre-election period. The combination is unusual - governments usually do their best to prevent elections and recessions from coinciding - and it has proved lethal.

The unexpected length of the recession, which meant that the election was repeatedly deferred while waiting for the elusive upturn, subjected the Treasury to two pre-election public spending rounds.

With the cards thus stacked in favour of spending ministers, public spending has, after three successive years of 4 per cent real growth, already risen by more under Mr Major than it did in the entire period in office of Mrs (now Lady) Thatcher.

The spending spree has coincided with a shortfall of revenue that has been intensified by the recession. Together these factors have created a borrowing problem more serious than that of the 1970s, the last time that the government borrowed on this scale.

Now, as was the case then, new borrowing is causing the stock of debt to rise rapidly. Then, however, incomes were rising even faster because of inflation. So the government's debt-to-income ratio, which is the key variable, actually fell. Today's low rate of inflation means that the large borrow-

ing requirement is pushing up the government's debt-to-income ratio extremely quickly. There is, fortunately, time to deal with the problem. Though the finances are deteriorating rapidly, they do so from a very favourable starting point. The government's debt was less than a third of the national income and is expected to rise to around a half. It can still be stabilised close to the level that Mrs Thatcher inherited from Labour, though that will require difficult decisions.

The problem is that any way out of the borrowing trap conflicts with other cherished objectives. Consider what the different options are:

Raise direct taxes? Hardly, because the Conservatives won a closely contested election by contrasting their own tax-cutting record (and promises of further cuts) with Labour's shadow Budget, which pencilled in higher taxes to pay for more public spending.

Increase indirect taxes? Less difficult politically, since a shift from direct to indirect taxes has been the thrust of Conservative tax policy since 1979. But putting up indirect taxes would raise inflation, and the underlying rate is already uncomfortably close to the government's new inflation target erected since Britain left the ERM.

Cut public spending? Too late to implement cuts in 1994-95, as the decisions have already been taken, but cuts in later years must be on the cards.

Confronted with these unpalatable choices it will be very tempting to do nothing, especially if the recovery improves the public finances. The do-nothing school will also draw comfort from the Bank of England's success in funding the deficit. So far the markets have absorbed the

massive flow of new gilt issues without a tremor. Why risk disturbing a fragile recovery in the interests of reducing a large PSBR that isn't a problem?

The answer to these siren voices is that borrowing is a problem. If it is not tackled now, it is hard to see when it ever will be. The fact that the debt is being sold relatively easily is little comfort. It is not hard to sell debt on a coupon of nearly 8 per cent when headline inflation stands at 1 per cent and the government is aiming to keep underlying inflation in the lower half of 1-4 per cent band. The debt sales achieved this year are better than a funding crisis, but they also constitute a millstone round the neck of the taxpayer.

The interest charges on £50bn of debt at 8 per cent come to £4bn per annum for the foreseeable future - 2 per cent on the income tax rate, with all the adverse effects on incentives that entails and no public spending to show for it. And next year's borrowing will add another 1½ per cent, with more to come in later years.

Mr Clarke will find, like all borrowers that the longer he delays the correction, the bigger the problem he faces.

The brutal fact is that, with public spending at these levels, the only choice facing Mr Clarke is between higher taxes now and higher taxes later.

Being an astute politician he may prefer to face up to the problem now, with the next election still some way off, rather than be forced into an unwelcome action nearer to polling day. He may also reckon that putting up taxes in the coming Budget will make it politically easier to secure the necessary reductions in public spending next year.

I say reductions in spending, rather than cuts, because (as I argued in an earlier article) nobody wants to see lower standards of public provision. But if borrowing must be reduced and cuts are ruled out, the only alternative to putting up taxes is to introduce charges. This is a big political step, but the size of the problem, and the obstacles in the way of conventional solutions, calls for radical action.

There is no shortage of good ideas. The government has already moved in the right direction on roads. The private finance initiative will bring new private funding in to road building, attracted by the prospect of making a commercial return on capital in the new world in which road users will pay for the use of premium roads.

The crisis over the provision of university places for all those who achieve adequate grades would be quickly solved by making students bear some proportion of the fees, as happens in many other countries.

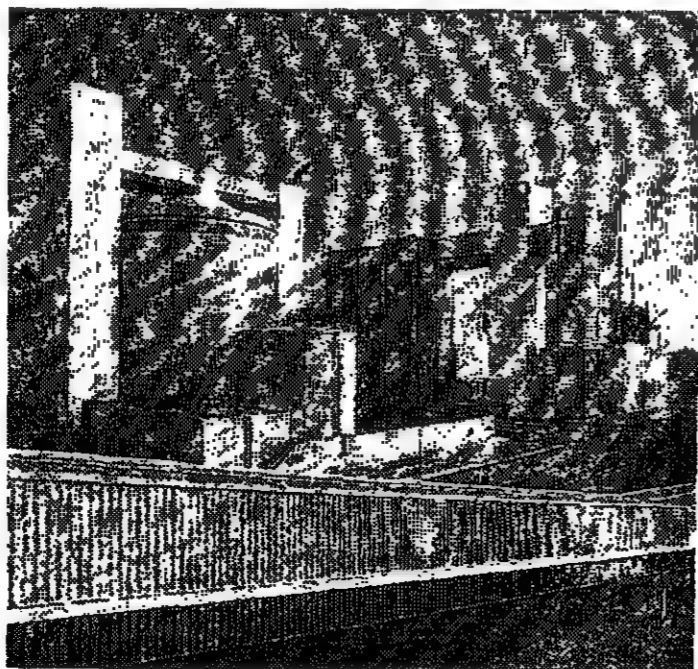
The quiet revolution in dentistry, where much of the work is now cosmetic and undertaken privately, points the way to the introduction of charges, for those who can afford it, for other health services. The "hotel charge" for hospital patients is one obvious example.

Mr Clarke has a reputation as a courageous politician, unafraid of tough decisions. He has said his instincts are tax-cutting instincts, but he is not instinctively hostile, as some on the right are, to public spending. As a man of the "hard centre", he should seize his opportunity to steer a new middle course: maintain the standards of public provision but make those who can afford to pay for it do so.

Bill Robinson

The author is a former director of the Institute for Fiscal Studies and served as a special adviser to the former Chancellor, Mr Norman Lamont

## Italcementi



The new cement plant in Salerno-Italy

Established in 1864, Italcementi has grown into the biggest cement manufacturer in Italy and in Europe. Through the acquisition of Ciments Français, it has reached a worldwide position of leadership in the sector; this has been possible thanks to the competence of the men, the high technology of the manufacturing plants and the quality of the products.

A long and consolidated tradition helps Italcementi in its strive toward internationalisation.

Italcementi thrives as a system of knowledge, materials and services realized by twenty thousand men in sixteen different countries.



## LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL  
Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

## Wind farms generate storm

From Dr Michael Grubb.

Sir, In his article "An ill wind of change" (August 19), David Lascelles states that wind energy is "not a subject of rational discourse". It is a pity that one of the FT's finest writers then demonstrates this by raising five objections to wind power that betray a depressing misunderstanding of the issues involved.

Two of his five arguments are that the UK has no need for additional generating capacity and that the existing resource base gives little value to diversity. Both are true for the next 10-20 years; both are grounds for not building any additional capacity; both are arguments that have been consistently rejected by governments and many others in the support of nuclear power because they are too short term.

On the timescale that it takes to develop substantial capacity of any non-fossil source, current plant capacity will be outstripped. North Sea oil and gas production will decline, as will the availability of low-cost UK coal. And the outlook for imported oil and gas prices at least will become increasingly volatile.

Mr Lascelles' third argument, that wind's variability is an important objection, is plain wrong. Variations in wind output cause far fewer operational problems than the tripping of a single main power generating set. Like an investment portfolio, what matters is the correlation of a new input with other variations on the power system.

In fact wind energy is well matched to demand on a seasonal basis and many technical studies have shown the short-term variability, at the levels being considered over the next two decades, to be economically irrelevant.

The statement that wind energy is environmentally insignificant because its contribution will be very small is true for this decade. But in the longer term, "10 per cent of electricity" is neither small nor an ultimate limit, and its environmental benefit will be proportionately much larger because it will displace the dirtiest marginal plant on the system. It could easily displace 30-40 per cent of power system sulphur dioxide emissions, for example.

Resource estimates are largely subjective, but obtaining 10 per cent of electricity from the wind would require wind turbines to be a significant landscape feature in about 1 per cent of the UK, not allowing for any possible offshore siting. The acceptability of that is subjective, but public opinion surveys in areas that have wind farms reveal a large majority in support.

Which leaves us with the economics. Current wind farms are certainly more costly than power from new gas stations at current prices, or existing coal stations.

But with the costs falling steadily as this nascent industry becomes a big business, it is likely to be competitive if

gas prices rise and against new coal or nuclear stations.

The central point is that new energy industries cannot be created overnight. The government has created a system of phased supports to reflect indirect costs of conventional production and to help the early stages of an industry that is likely to be an important component of sustainable energy supplies.

As part of a major project on renewable energy strategies, I at least have been led to the conclusion that it is a remarkably rational and valuable policy.

Michael Grubb, head, energy and environmental programme, Royal Institute of International Affairs, 10 St James's Square, London SW1E 4LE

From Dr I D Mays, Dr D Lindley and Mr M Trimmick.

Sir, Anybody reading David Lascelles' article on wind farms can be in no doubt about his personal views on the development of wind energy. Regrettably, he rests his case

largely on the basis of erroneous information.

He claims that the recent decision to allow construction of a wind farm at Four Burrows in Cornwall is the fourth instance where the environmental secretary has pushed through a wind farm against the wishes of people who live nearby. This is quite wrong. The other three projects referred to by the secretary of the Environment - Oranmore Moor, Kirby Moor and Cammoores - were approved by local planning committees. The government decided that a wider examination in public should be undertaken.

At Four Burrows the inquiry ensued when the planning committee rejected the advice of its professional planning officers to grant permission. The technology is certainly not, as Mr Lascelles argues, "a long way from commercial operation". Let us be clear on energy costs. On sites having only a modest wind speed, the cost of wind-generated electricity over a typical 20-year plant life is about 6.5p per unit, and is coming down. On windier sites such as are found in parts of Scotland, the price can be substantially lower. Comparing this, on the same accounting basis, with the prices for electricity from new conventional

power stations, we have coal at about 4.5p/unit, combined cycle gas at 3.6p/unit and nuclear at at least 7p/unit.

As things are at present, wind is not the cheapest. But the costs quoted here for conventional power projects do not include the external environmental and social costs that they incur. Evidence presented to the Commons energy committee last year showed that external costs added about 0.75p/unit for combined cycle gas and 2p/unit for coal and nuclear. Wind, which requires no fuel to be won or transported, produces no carbon dioxide or other atmospheric pollution and has no legacy for future generations. It does not suffer from the associated external costs. It is competitive with coal and cheaper than nuclear.

Mr Lascelles seeks to belittle the significant contribution that wind energy can make to our energy needs. The UK has vast wind assets, almost half Europe's wind resource. This is equivalent to more than double our current electricity demand. Taking account of its fluctuat-

ing nature, siting constraints, and integrating it into a practical and flexible system it is reasonable to expect that wind energy could supply 10-20 per cent of our electricity early in the next century and provide valuable diversity of supply.

And what of land usage? To generate 10 per cent of our electricity from the wind would require wind farms extending over 1,500 sq km (not 4,000). This is only 0.5 per cent of the UK land area, and because wind turbines occupy less than 1 per cent of the area in which they are sited, the actual land usage would be only 12 sq km. In the other 1,488 sq km, cows could still safely graze and crops ripen around and below the turbines.

Of course, the main environmental advantage of wind is that it is a clean energy source. Were the policy, planning and regulatory frameworks to allow us to achieve the 10 per cent tomorrow, the immediate benefit would be to avoid pumping 30m tonnes of carbon dioxide, 30,000 tonnes of sulphur dioxide and 60,000 tonnes of nitrogen oxide into the atmosphere each year and without the long-term safety commitment the nuclear industry has yet to face.

Mr Lascelles might not like wind farms, but the evidence ing nature, siting constraints, and integrating it into a practical and flexible system it is reasonable to expect that wind energy could supply 10-20 per cent of our electricity early in the next century and provide valuable diversity of supply.

of independent public opinion surveys shows that less than 10 per cent of the general public, including those living around wind farms, do not like them. The substantial majority are in favour.

What they are not is uneconomic or unnecessary. I D Mays, D Lindley, M Trimmick, British Wind Energy Association, Eaton Court, Maylands Avenue, Hemel Hempstead, Herts HP2 7TR

From the Rt Hon David Howell, MP.

Sir, David Lascelles is quite right about wind farms. They are environmentally menacing while making not the slightest sense in energy terms. Even at the height of the oil crisis in the early 1980s, when I was energy secretary, I was never shown any evidence that wind power could become a remotely economic source of electricity.

Why the government should now be approving these intrusive and moaning monstrosities in some of the most beautiful areas of our country I cannot understand. Cornwall and mid-Wales have already been scarred. Now there is a threat to dot these latter structures along the hills either side of the Upper Wye Valley.

I hope that on both environmental and energy policy grounds the government will withdraw its encouragement for any more of this desecration and waste. If we must have huge wind farms at all, they should be sited on the less attractive parts of our shoreline. David Howell, MP, House of Commons, London SW1A 0AA

From Mr Roy R Martindale.

Sir, May I congratulate David Lascelles on his most objective article on wind power.

As he indicates, it would take thousands of wind generators to replace one large power station, and the capital costs involved clearly favour more traditional generating methods. However, I would point out that the economic argument against wind generation is even worse than that set out in the article.

In the UK, the highest levels of electricity demand can arise when there is a settled high-pressure weather pattern in mid-winter, producing sustained low temperatures. Such conditions provide little wind at times of greatest need.

Consequently, wind generation requires backup alternative generating capacity to avoid a shortfall in supply. The cost of this duplicate capacity constitutes an additional subsidy to wind generation. It also poses the question, why does one need two generating systems when one reliable one will do?

Roy R Martindale, 42 Rushin Close, Rugby, Warwickshire CV21 5RU

## Companies still weighed down by burden of tax regulations

From Mr Malcolm Bachus.

Sir, According to your article on deregulation and the Department of Trade and Industry ("Heseltine's crusade progresses in silence", August 20), Tim Sainsbury, UK industry minister, believes the message of deregulation has been "received and understood" and co-operation with other departments is "getting better".

The members of the London Society of Chartered Accountants would beg to differ. From the perspective of our clients, while the government looks at a large number of petty regulations, it is failing miserably to tackle the largest burdens of them all - the tax and accounting regulations.

The Manchester Business School in 1991 estimated that

an average business spent 20 per cent of its pre-tax profits dealing with company and tax regulations. This percentage would have been higher for smaller businesses which make up the majority of British industry. Since then, of course, the recession has turned many profits into losses but the red tape has not stopped rolling.

The recently approved Finance Act, for example, was the second longest ever at 300 pages. It introduced no fundamental changes but dealt with so many issues in such technicality that all but the largest companies will be forced to turn to their tax advisers for more help. Many companies will be required to change their accounting or tax software to cope, and almost all

companies will find the time they spend on tax administration increasing still further. Pay-and-file, another recent piece of tax legislation, is also adding heavily to that administrative effort.

Before we are convinced that the message of deregulation has been received, let us see some positive co-operation between the Treasury (with the various tax authorities) and the DTI. Let us see all legislation evaluated for its cost/benefits and a massive reduction in the tax and accounting trivia inflicted on us.

Malcolm Bachus, chairman, London Society of Chartered Accountants, 20 Old Bailey, London EC4M 3BH

## FDA should accept performance pay

From Mr Peter M Brown.

Sir, While welcoming the Treasury's offer to extend performance pay rather than automatic annual increments to First Division Association (FDA) civil servants, we were astonished to see the association claiming that actual pay rises for their members would be 1.25 per cent as increments were self-financing.

In a recession, when recruitment is reduced and promotion delayed, incremental salary systems are bound to add a higher than normal percentage to payroll costs.

It is partly for this reason that our hospital clients are examining alternatives to the

Whitley Council scales, which have resulted in 4 per cent increases in payroll costs in a year with a 1.5 per cent pay limit. Only the 1.5 per cent is taken into account when health authorities and others are negotiating treatment rates, which may help to explain the financing crisis in so many hospitals.

Although easy to operate, incremental systems have had their day through their automatic awards for long service but often marginal performance.

I hope the FDA will not only accept the Treasury's offer but champion more actively reward systems that allow the

opportunity to earn higher discretionary rewards.

The recent Top Salaries Review Body Report highlights the increasing and serious differential between top public and private pay. If automatic increments were dropped in favour of evaluated performance increases the nation could probably be much more willing to accept a significant increase in top civil servants' wages, and incidentally, MPs' basic pay.

Peter M Brown, chairman, Top Pay Research Group, Upper ground floor, 9 Savoy Street, London WC2R 0BA

## Raise status of vocational training

From Dr D P Smith.

Sir, While I agree wholeheartedly with the views expressed by Mr J E Troth regarding the stigma of the work-based vocational route for 16-year-olds ("Training on job needs better image", August 18), I would suggest that there are two main obstacles to progress.

The first is the absurdity in which schools get a full year's money for each pupil entering sixth form, even if the pupil leaves after a few weeks; the second, a careers service that is both under-resourced and falls under the quasi-political control of the local education authorities which still control most schools.

One solution would be to make the careers service independent and give each 16-year-old a training credit (as advocated by the Confederation of British Industry), which could be used to pay for training at school, college or via youth training with an employer who offers a full-time job from day one. Payment would be made only on the achievement of results.

Real progress towards giving 16-year-olds a genuine choice will be made only when we have a combined department of education and training that puts equal value on all post-16 education and training.

D P Smith, managing director, ETA, Swan Court, Waterhouse Street, Hemel Hempstead, Herts HP1 1DU

## FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL  
Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Tuesday August 24 1993

## Mr Clarke's challenge

KENNETH CLARKE was chancellor of the exchequer in waiting long before he became chancellor. He may already be regretting his temerity. By now he should be painfully aware that there are two kinds of chancellor: good ones and popular ones. The first unified budget, due in November, should make rather clearer what sort of chancellor Mr Clarke will be.

If a responsible chancellor is to be popular, he must be very lucky. Mr Clarke has had some luck. He inherits an economy that is not only on the mend, but enjoys low inflation by British standards. Even the Bank of England accepts that underlying inflation is likely to remain within the government's target range of 1 to 4 per cent over the next two years.

It is rare for anything in life to come unalloyed and Mr Clarke's luck is no exception. He also inherits a public sector borrowing requirement estimated by the Treasury at \$50bn, or 9 per cent of gross domestic product (excluding privatisation proceeds), for this financial year. Mr Clarke's parliamentary colleagues tell him in response either that he must not cut public spending or that he must not raise taxes. Meanwhile, respectable economists tell him that the fiscal deficit is either mostly cyclical or that it does not matter very much. He is, in short, being told to hope for the best. This might seem sensible. It would, in fact, be rash.

## Absurd practice

The unified budget brings Mr Clarke several important advantages. In his attempt to deal with the challenge: it allows him to make explicit the trade-off between spending cuts and tax increases; it should also persuade even Keynesian economists that the lag between the announcement of measures and the beginning of the succeeding financial year renders fiscal fine-tuning unrealistic; most important of all, it can be used to justify a new level of openness.

To his credit, Mr Clarke has already abandoned the absurd pre-budget practice of "purdah". What has not changed is the secretive way in which tax changes are decided. The Treasury still insists on its unchallenged control over economic strategy. Unfortunately,

an institution's authority depends on its performance.

Consent is no longer given unquestioningly to what chancellors propose, even on the Tory benches. It has to be earned. If, as seems probable, Mr Clarke decides on further tax increases, that will prove rather difficult. What the chancellor needs to do well before the budget therefore is to set out the situation, the prospects and the options, as the Treasury sees them. At worst, the opposing factions may then exhaust themselves in interminable debate. At best, someone may come up with valuable ideas on spending or taxation that the Treasury has not thought of.

## Stable environment

Transparency is the first requirement. It is particularly important when policy is purely discretionary. Moreover, there is also an excellent chance of securing long-term growth in the British economy. A second requirement, therefore, is clarity about the underlying principles for economic policy. One of those should be provision of a stable macroeconomic environment, with low inflation not merely secured but actively pursued. Another should be further rebalancing of monetary and fiscal policy.

For reasons expounded by Mr Lamont's former adviser, Bill Robinson, in his articles for the FT, further action to reduce the budget deficit will almost certainly be required. Once that is accepted, it makes no sense to postpone the adjustment, especially when its adverse macroeconomic effects can always be offset by monetary easing. Furthermore, the sterling exchange rate, this month's dissolution of the ERM and the low growth of broad money all suggest that such easing is already both desirable and justifiable.

This leaves the chancellor the question of how precisely to go about cutting the deficit. Mr Clarke's desire is to preserve current spending plans, which means higher taxes. In the long term that is probably the wrong option, but in the short term there may be little alternative. Either way, choices have to be made. If he decides to avoid them instead, Mr Clarke is likely to go down as just another temporarily popular, bad chancellor.

## The choice that Russia needs

"YELTSIN HEADS for showdown with Congress," proclaimed an FT headline just after Russia's president had won a convincing endorsement in last April's referendum. Four months on, the showdown is still awaited. Mr Boris Yeltsin and his parliamentary opponents continue their war of laws, decrees and corruption charges. His government is paralysed by faction-fighting. Power and money seep away from the centre to the regions, economic output declines, and Russians sink further into cynicism about their rulers. Without a decisive move to break these logjams, the point can be reached when political drift turns into serious political danger.

Now President Yeltsin says he is at last about to make such a move: he plans to outflank congressional diehards by forcing early parliamentary elections this autumn. Congress will be asked to dissolve itself in order to allow the creation of a new assembly. If, as seems certain, it refuses, Mr Yeltsin will press ahead anyway. In one bound, he will be free to govern as mandated; reform will be back on course; and a new parliament empowered to join in the creation of a more stable constitutional order.

It would clearly be beneficial, both for Mr Yeltsin and for the cause of reform, to get rid of a parliament that dates back to communism and which has consistently passed Soviet-era legislation - most recently a budget that amounts to a recipe for hyperinflation and a law that attempts to halt Russia's privatisation programme.

Ample opportunities

But there are several problems with that optimistic scenario. One is that we have heard it too many times before. In the two years since he led Russia from the wreckage of the former Soviet Union, Mr Yeltsin has had ample opportunities either to reform or defeat the parliament, notably immediately after the dissolution of the USSR. On each occasion, he has ducked, weaved and temporised, allowing his opponents time to counter-attack.

A second difficulty is posed by the effort to create a new constitution out of the old. The present constitution is a hopeless mess: it

has been amended so many times by the current parliament as to be unrecognisable, and can now be used by Mr Yeltsin's opponents to mean almost whatever they want it to mean. Creating a new one confronted Mr Yeltsin with a near-impossible dilemma. To get away from violating the law in pursuit of a better one, he needed to shore up his power base in Moscow and build a coalition of regional and republican leaders that would support him in his confrontation with parliament. This he has been trying to do over the past four months - but at the cost of a devolution of powers to the republics and regions that, if continued, would call in question the very survival of the Russian federation. As a result, he is so weakened that his latest manoeuvre seems more likely to deepen the confusion than to advance democracy.

## Policy stalemate

This points to the third, and most important, difficulty for those - like the Group of Seven - who have pinned their hopes for reform on Mr Yeltsin. On the evidence of recent months, he seems most unlikely to deliver. It is now abundantly clear that Russia's policy stalemate is not simply a matter of president versus parliament, or reformist ministers versus recalcitrant central bank; it is a paralysis at the heart of the cabinet and presidential entourage. The cabinet is both divided and incompetent, as shown by the rouble reform fiasco last month; the reformers who once, briefly, seemed to act as a government within the government are fighting among themselves; and Mr Yeltsin seems powerless, or unwilling, to inject greater coherence into the business of government that goes on in his name.

It is hard to see how a few more months of parliamentary electioneering alone will resolve that problem. If there are to be elections, they would more sensibly be for both parliament and president. Such a contest would give Mr Yeltsin - still held in some esteem around the country - a chance to spell out what he stands for. If he did so with sufficient vigour and clarity he would have a good chance of being re-elected. If not, the alternative would not necessarily be a disaster.

To lose a chairman may be regarded as a misfortune; to lose a finance director as well looks like carelessness. For

RJR Nabisco, the US-based food and tobacco group - best known for its Camel cigarettes and Oreo 'cookies' - this year's calamities do not stop there. Over the same period it has seen its most profitable business, US cigarettes, wracked by a price war, and has been forced to abandon an ambitious \$1.5bn special shares offering. It has watched its share price dip to 85¢, less than half the level at which it was sold to investors two years ago.

The long list of problems have raised the question again of whether the company should be split between food and tobacco groups. In the wake of the aborted \$1.5bn "food share" issue this summer, which would have been tied to the performance of the Nabisco food division, a typical stockbroker's report commented: "This represents one more thing gone wrong and one more reason to avoid the stock."

The only person who seems publicly relaxed is the new chairman, Charles "Mike" Harper. "I don't know that we're in a bind," he remarked cheerfully. "It's a whole wonderful world out there."

But even Mr Harper would not deny that today's grim reality is far removed from the promises made in 1989 when RJR Nabisco was the subject of a record-breaking \$25bn bid masterminded by the financier Mr Henry Kravis, co-founder of Kohlberg Kravis, Roberts, the New York-based leveraged buy-out specialist.

Then, the bidders talked about streamlining; about the disciplines imposed on management; about the merit of shedding corporate "fat", such as private jets, and investing such savings in building brands. When the bid battle ended in victory for Kohlberg Kravis, Roberts, the financial world held its breath. It was the biggest buy-out in corporate history and marked the zenith of the feverish period of leveraged deals in the 1980s, when takeovers were funded by innovative debt instruments such as junk bonds.

Today, the widespread view on Wall Street is that RJR Nabisco has avoided many of the financial problems which have beset smaller leveraged deals. Companies ranging from Federated Department Stores to Trans World Airlines found that once recession struck, operating profits were insufficient to meet debt payments and had to file for protection under Chapter 11 of the bankruptcy code.

Operating cash flow at RJR Nabisco has been sufficient to meet debt repayment demands, and about half the total acquisition debt of close to \$200m has been paid off. The large US credit-rating agencies, such as Moody's and Standard & Poor's, moved the company up from junk bond to investment grade status last year, thus confirming its financial health.

The reduction in borrowings was helped by a programme of disposals which, although not trouble-free, was completed largely as planned. The main elements were the sale of RJR Nabisco's European snack and biscuit companies to BSN, the French food group, and the disposal of Del Monte, the fresh and canned fruits business. More than \$60m has flowed in from these sales.

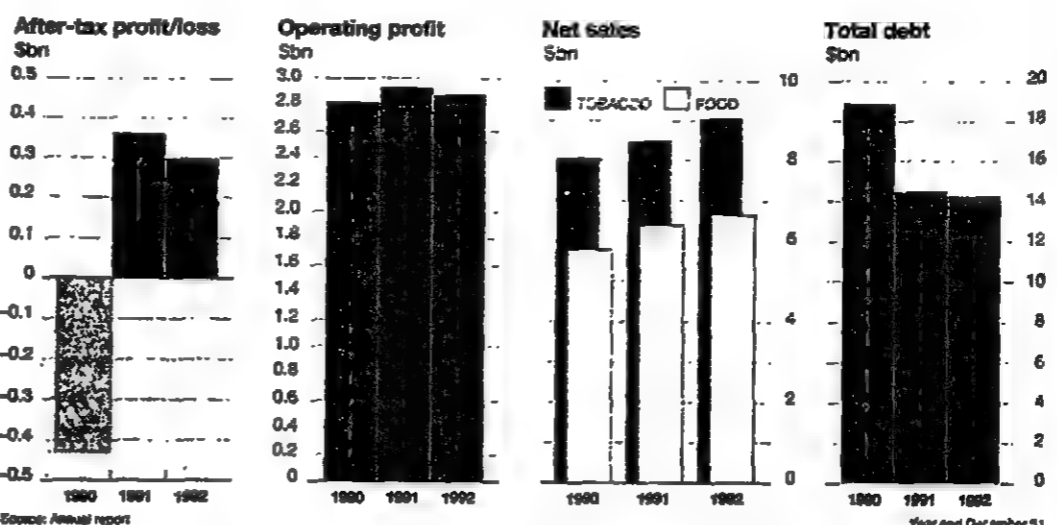
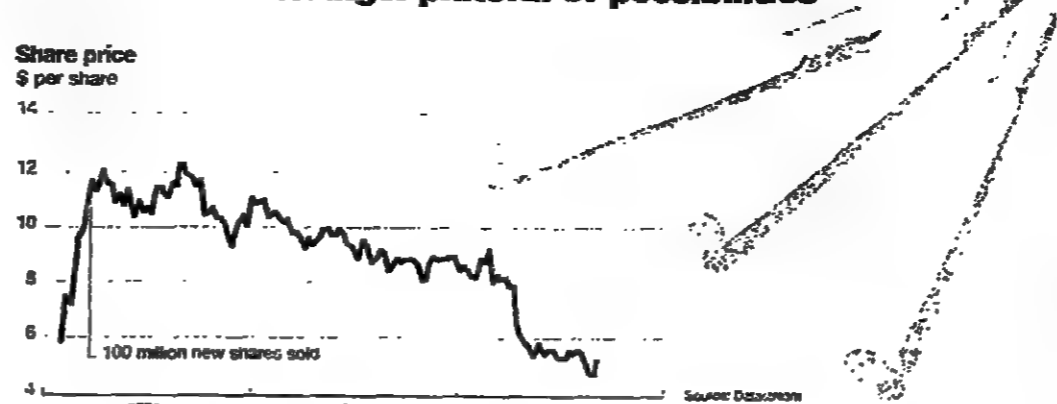
But while the balance sheet has steadily improved, progress in terms of industrial strategy has been less satisfactory. On the tobacco side, RJR was struggling to demonstrate any sustained sales or profits advance in its single most important domestic business, long before rival cigarette maker, Philip Morris, slashed the price of its Marlboro brand and brought a summer price war to boiling point.

Domestic tobacco is critical to RJR Nabisco's fortunes in the short term, accounting for about 60 per cent of group operating profit. RJR's two main full-priced brands - Winston and Salem - lost market share in the early 1990s as discount brands grew in popularity. Only Camel, a smaller brand, made progress on the back of a successful, if

RJR Nabisco has cut its debts, but can it compete as a single group in the world of snacks and cigarettes, asks Nikki Tait

## Cookies offer food for thought

RJR Nabisco Holdings: plateful of possibilities



controversial. Old Joe Camel advertising campaign which critics claimed enticed children to smoke.

Recently, RJR redirected its attention to the discount end of the US cigarette market, and its total market share improved. But the gain was largely at the lower-margin end of the sector, so while sales rose 5 per cent to \$3.16bn last year, operating profits for the domestic tobacco division declined by 9 per cent to \$1.7bn in the 1992 calendar year.

The food side has struggled for different reasons. Shorn of its main international interests, Nabisco became heavily dependent on the US domestic market. But recession and the squeeze by retailers' own-label products on branded goods suppliers have meant that profits improvements had to be clawed out of cost-savings and productivity gains. In 1992, food sales were flat in North America, and the division's "business unit contribution" - core operating profits less overheads - rose only 3 per cent.

Such was the state of the company when Mr Lou Gerstner, RJR Nabisco's chairman since the 1989 bid, departed to run International Business Machines in April. His departure proved tough for the company to handle. Seeking to minimise disruption - and knowing that the sensitive "food share" issue was in the pipeline - RJR Nabisco announced that two other members of Mr Gerstner's small head office team would become co-chairmen and chief executive officers.

At the company's annual meeting just days after Mr Gerstner left, Mr Lawrence Ricciardi, general counsel, and Mr Karl von der Heyden, finance director, performed a polished double-act. But the carefully-engineered harmony was disrupted

two months later when Mr Harper arrived. Although many observers had suspected that the two-man chairmanship would prove temporary, the impression of a well-organised handover had been marred by Mr Ricciardi's earlier insistence that the dual arrangement was not short term, and Mr von der Heyden's resignation when the appointment of Mr Harper was announced.

It is no stranger to the rough-and-tumble of the US food industry. In the early 1970s, he quit Pillsbury (now owned by the UK's Grand Metropolitan) when it sold the poultry business which he headed. He moved on to run ConAgra, then a commodity-based business which had just lost large sums on the futures markets and was close to collapse. Slowly, Mr Harper started to buy up packaged food operations which other companies had rejected - including because of the immense legal obstacles of a full demerger. Bond holders and litigants in tobacco liability lawsuits would have been unhappy in any case, while complicated debt covenants might have to be bought off. In the wake of the aborted stock offer, speculation that RJR Nabisco is reconsidering this possibility has mounted, however.

Mr Harper is non-committal: "Anything that's moral, ethical and legal will be done, but it would be inappropriate to speculate on any particular possibility."

On the food side, Nabisco has been trying to rebuild its international operations via a handful of fairly modest deals, centred largely on Latin America. Thus, says Mr Harper, will continue.

"I think the food division will continue to build on that base, and

make money," he says, "and there is no magic in increasing earnings per share."

"With ConAgra, we started with a debt-to-equity ratio of six to one. Over a period of time, and by doing a few little things very well, we focused on increasing value from a shareholders' point-of-view. And that came down to getting good returns from any new capital that we put into the company."

What, in the context of RJR, might these "little things" be? Mr Harper is loathe to discuss specifics, but outlines a few possibilities. First, acquisitions will be a priority. "We intend to pursue opportunities - food and tobacco. Or it could be something else. I'm not going to commit myself to saying that it would be only food and tobacco."

This presupposes that both divisions remain under the same corporate roof. It was widely assumed that RJR Nabisco only attempted the complex "food share" issue because of the immense legal obstacles of a full demerger. Bond holders and litigants in tobacco liability lawsuits would have been unhappy in any case, while complicated debt covenants might have to be bought off. In the wake of the aborted stock offer, speculation that RJR Nabisco is reconsidering this possibility has mounted, however.

Mr Harper is non-committal: "Anything that's moral, ethical and legal will be done, but it would be inappropriate to speculate on any particular possibility."

On the food side, Nabisco has been trying to rebuild its international operations via a handful of fairly modest deals, centred largely on Latin America. Thus, says Mr Harper, will continue.

"I think the food division will continue to build on that base, and

that's very logical. We don't want to get into a no-growth business in a slow-growth economy. That might suggest that in certain parts of Europe it could be difficult to find businesses. But I don't care where we find them, so long as they are growth vehicles and can be purchased at a price which will give us a darned good return."

Second, product innovation will be important. Mr Harper is quick to attack the widespread notion that RJR Nabisco has been tardy in introducing new brands. "I think the food managers have done a pretty good job of product development. They've brought out a great line of snacks, and now they're coming out with potato chips that have half the fat. These have never been near a deep-fat fryer, and they taste tremendously good." Mr Harper points out that 10 per cent of sales come from products brought to market in the past two years.

Third, fresh management objectives are being set. "The company has focused for a long time on the balance sheet - and that's good for that. Now the focus is changing. Sure, there are going to be some more financings. But the focus of management is to make more money. It's a natural shift at this point in time."

"So there will be goals, there will be standards, there will be financial objectives. We will establish those; we will expect results."

But if a steady rebuilding of RJR Nabisco - with emphasis on the food side - is Mr Harper's aim, does the company have enough resources to pursue it effectively? One drawback is that while many food industry competitors can concentrate on that sector alone, RJR Nabisco has the uncertain cost of a cigarette price-war to contend with, plus a still-substantial debt burden. Moreover, its lowly share price and the withdrawal of the "food stock" issue suggest that new equity financing may be out of the question for a while.

The answer, say some observers, lies in basic mathematics. The company is reckoned to generate "free cash-flow" - profits flowing into the company with depreciation costs added back - of just over \$4bn a year. About \$2.5bn is needed annually to pay interest on the debt, taxes and for planned capital expenditures. This leaves about \$1.5bn annually to pay off debt and to fund acquisitions.

How much of this balance will be consumed by the cigarette price-war is unknown: "several hundred million" is the vague consensus on Wall Street. Future debt maturities, meanwhile, are reckoned to be "fairly modest at an average of \$200m annually over the next few years", according to Fitch, the debt-rating agency.

So are the company's resources enough to juggle acquisition spending with product development demands and marketing requirements? "Live with it!" Mr Harper says. "We can be aggressive with it."

"Even with this price-war in cigarettes, we have substantial cash-flow. Relative to interest, it is very good, and even after the great reduction in the operating income from tobacco, it is still very good. Some food people would think they'd died and gone to heaven."

RJR Nabisco's shareholders, however, may feel that heaven is a little way off. Partly as a result of the cigarette price war, many industry watchers predict a fall in after-tax profits this year; some suggest that it may even be uphill work to show any recovery in 1994. Not least of those concerned is Kohlberg Kravis, Roberts, which still holds a controlling interest in the company. Three years after the takeover, RJR Nabisco's management is increasingly being measured by its ability to deliver in the real world of biscuits, nuts, crackers and cigarettes, not by its skill in handling a balance sheet, slashing costs or shuffling assets. On that score, Mr Harper would seem to have his plate full. Mr Kravis can only join other investors in hoping Mr Harper's optimism is well-founded.

## OBSERVER

## Bullish influence

No wonder former countries of the Soviet Union are keen to hear from Pope John Paul II. The mere mention of a papal visit seems to work miracles for the exchange rate of the country in question, judging by Lithuania's experience. Ever since word leaked out that the Pope was planning to visit the Baltic state in September, Lithuanian's currency, the litas, has soared. Last month, the rate was five to the dollar; now the going rate is 2.3 litas to the dollar. Demand for the currency is based on expectations that foreign visitors flocking to Lithuania to see His Holiness will lead to a glut of hard currency.

If this scenario proves correct, then the Vatican can expect an early call from the Ukraine. According to Morgan Stanley, Ukraine's karbovanets has fallen by 30 per cent against the dollar since December.

## Sporting chancer

Would you run a mile for a burger? No, neither would Observer. But Steve Cram is hoping his athletic exploits will inspire fast food fans to cram into Heroes of Sport, a chain of family restaurants he is about to launch. Hard on the heels of the Hard Rock

Cafe and Planet Hollywood, Cram's cafe will feature sporting memorabilia, rather than the film and pop souvenirs normally associated with such places. While Cram eventually plans to satisfy the appetites of Manchester, Birmingham, Sheffield, Coventry and central London, his first venue will open in Newport, south Wales, in October. Let's hope it proves more successful than Newport County Football Club which went belly-up and dropped out of the league in 1988.

## Little by little

If Tarmac does press the button and have its rumoured rights issue soon, will the company mark the occasion by changing its chairman? Sir Eric Pountney, who turned 60 earlier this month, has had a good innings and handed over the executive reins to Neville Simms early last year. Along with Graeme Ogden and Bryan Baker, he was the reason Tarmac was regarded as one of the best-managed companies in its field in the early 1980s.

However, he was not the best chairman for a recession and Tarmac now needs an injection of new equity to repair its earlier mistakes. Having a powerful former chief executive on the board can often make life difficult for a new chief executive keen to put his own stamp on the company. Ten years ago Tarmac was the



"Wrong kind of space" biggest in its sector. Today, in terms of market capitalisation, Blue Circle is nearly twice as big and Redland almost three times. If Sir Eric does choose to bow out, Sir John Banham seems the most likely internal candidate to succeed him.

## Lerner's lessons

Who is behind MBNA, the major American bank which hit the headlines last week by getting a \$7m grant out of the DTI to build a \$50m headquarters in Chester? Whoever it was must have spun a good yarn to get that sort of treatment. The DTI and the Department

of Employment could not elaborate on the brief press release, and even the Bank of England admitted that MBNA had only got its banking licence a few days before the announcement. However, it sounds like a bank in a hurry, judging by the career of Alfred Lerner, its 60-year-old chairman.

Lerner is one of those irrepressible sorts who just won't let a little mishap get him down. Having made his first fortune in real estate, his second career as an investor in bank stocks seemed in danger of coming unstuck when he sunk \$150m into the Baltimore-based bank MNC, parent of Maryland National which had run into problems with dodgy property loans.

Lerner even disappeared briefly from the Forbes list of the richest people in the US. But not for long. In order to rescue MNC from its financial problems, Lerner helped spin-off its successful credit card operations as MBNA in 1991, and has never looked back. He earned \$129m last year, according to Financial World magazine's annual survey of Wall Street pay.

## Public relations

A BBC television play called The Vision Thing, which is due for screening in October, must be causing some stage fright at one high-flying City public relations firm. The play concerns a clever young

PR flack whose smooth charm lands him the job of spokesman for the Tory party. One thing leads to another, and, as a reward for a spot of deceit and cover-up at election time, he is given the job of foreign secretary. Sad to say this promising career comes to an abrupt halt in a now predictable way.

His illicit affair with a glamorous young interior decorator is exposed after their pillow-talk is bugged by GCHQ and subsequently picked up by a retired building society manager who also happens to be an amateur radio operator.

Not much to worry about in that - except that the central role is played by one Nathaniel Parker, son of Sir Peter Parker, chairman of the Young Vic, and brother of Alan Parker, the smooth-talking boss of Brunswick, the City PR firm whose rapid rise to fame was crowned by its handling of the BT3 flotation.

So uncanny is the resemblance that viewers who switch on half way through might even think they are watching a cinema verité documentary about the comings and goings of Alan.

One only hopes they will be properly able to distinguish fact from fiction.

Trail blazers

Meanwhile, how many PR men does it take to change a light bulb? I'm sorry, I'll have to get back to you on that one.

## Barter offers crumb of comfort

David Dodwell looks at how a trader helped a troubled US biscuit maker

WHEN Keebler, the troubled US biscuit maker, saw a high-profile product launch fall flat last year it was left with \$1m worth of unusable packaging.

Rather than write it off as scrap, Keebler talked to Atwood Richards, a leading US barter group.

Instead of buying the packaging alone, Atwood asked Keebler, the US subsidiary of United Biscuits of the UK, to fill the packs with biscuits and agreed to buy the filled packs - worth \$1m - for sale only in markets where Keebler had no presence. Russia, Ukraine, Belarus and the Baltic states were targeted.

Keebler was to be paid in "trade credits", which were eventually exchanged for packaging, shipping services and marketing. Atwood used royalties paid by the Russians to buy local products and services.

Atwood also offered Keebler the right to take over the distribution network it had set up in eastern Europe.

For Keebler the deal had many attractions: it did not have to write off out-dated stock; it exploited unused capacity on its production line to fill the packs; it was paid the full wholesale price - or its equivalent in trade credits - for its incremental production; and gained, at no cost, marketing and distribution networks in new markets.

Atwood's distinction over 35 years as a trader has been to stretch the boundaries of barter.



The sector is traditionally associated with commodity trading, the former communist regimes of east and central Europe, and with the disaster-driven improvisations of companies trying to fend off the receiver.

It may be a men's suit maker who missed this season's switch to double-breasted suits, or a factory with spare capacity during the winter - or Keebler packaging made useless overnight by a new marketing campaign.

With an estimated \$13bn of unused or surplus merchandise in warehouses across the US alone, Mr Moreton Blinn, principal shareholder in Atwood, has the chance to make barter

relevant to mainstream business wherever it is based.

Garments account for perhaps 40 per cent of Atwood's overall business. Seasonal goods are also significant as retailers seek to clear shelf space before autumn and winter.

"The world is a buffet," Mr Blinn notes. "There is always somebody, some place in the world that uses or needs barter."

Atwood's business is finding alternatives. Its distinctive strengths lie in marketing, distribution, and achieving a range in the inventory of goods and services it can offer. Companies can spend their trade credits on products as diverse as packaging, office furniture, hydraulic presses, mainframe computers and refractory products, and services such as airline seats, hotel rooms, cleaning services, or television advertising space.

It has bought and sold between Omega, the watchmaker, US Steel, Goodyear Tyres, Canon, Massey Ferguson, Amoco and JC Penny.

Mr Trevor Edwards, head of the group's London office, confesses that the first response of a company executive to an approach from Atwood is cool.

"People are approached almost on a daily basis by people wanting to buy stock for cash. But the offers are so desultory that they ignore them. Often they're as low as 20 per cent of wholesale value. When I say we will buy at near to wholesale price, companies often

think it's another come-on," he says.

In Skelmersdale, in the north of England, Mr Geoff Marsden, managing director of Snack Factory, a recently established supplier of crisps and other snack foods to the UK market, was no exception when he received a call from Mr Edwards to discuss a barter deal worth \$5m a year for two years, allowing Atwood to sell the company's crisps across Europe. "I'm treating all this with my tongue in my cheek, but there is no cost for me to try it," he says.

"At present, I can't think of a negative. It allows me to do some test marketing and establish distribution in markets I don't have the time or resources to target myself."

According to Mr Blinn there are just four components of a company's costs that cannot be bartered: wages, rents, utilities such as water and electricity, and bank charges. Beyond these, which may account for half a company's outlay, there is no reason any other cost must be monetised.

He says his company is not a venture feeding on recession-injured companies.

"The business survives at all times. Not all businesses do well at the same time. Nor is the world that efficient. And trying to predict what the market for your product is going to look like next year is the biggest gamble of all."

## Taiwan may underwrite BAe venture

By Daniel Green and Dennis Engbarth in Taipei

TAIWAN may guarantee loans as part of a package to save a £250m joint venture between British Aerospace and Taiwan Aerospace Corporation.

Mr Yang Shih-chien, deputy minister of economic affairs, said yesterday that he did not rule out the Treasury making loan guarantees if the two sides failed to agree on financing the deal.

He was speaking after 18 hours of talks in Taipei between Taiwanese officials and Mr John Cahill, BAe's chairman, failed to settle disagreements on financing and technology transfer.

Mr Cahill and his team of four senior executives will continue their attempt to rescue the deal this morning. Both sides remained optimistic that a deal would be concluded even if talks spilled into a third day.

The Avro joint venture is central to Mr Cahill's strategy to improve BAe profitability. The RJ series of regional aircraft, which would be built partly in Taiwan under the joint venture, loses money for the company.

BAe said proposals it had received from Mr Liang Kuo-shu, chairman of the Chiao Tung Bank, the Taiwanese state-owned bank, "were positive". The Chiao Tung Bank leads a banking con-

sortium that is due to provide all the initial working capital for Avro. Some members of the consortium want stronger guarantees that technology, design and manufacturing skills will be transferred to Taiwan.

The original joint venture contract signed in January "was rather loose", Mr Yang, who has been closely associated with the proposal, said yesterday.

The banks also want assurances over the status of assets BAe is putting into the joint venture company - land, plant and machinery in the UK - as collateral.

Taiwanese law prevents a bank from making unsecured loans to

a company in which it has more than a 3 per cent stake. This threshold is breached by the Chiao Tung Bank, which owns significantly more than this.

Financial specialists with the Chiao Tung Bank were at the centre of the talks in Taipei which lasted until almost midnight.

In a further step to reassure the banks yesterday, the government drafted an official letter stating its commitment to Avro, after the banks indicated the government's earlier verbal support was insufficient.

World stocks, Page 29

## VW clash

Continued from Page 1

Ignacio López de Arriortúa, the VW production director, and three of his associates.

VW stopped commenting on the theft and industrial espionage probe more than a week ago, when it refused even to deny media allegations that 11 of its employees transferred confidential Opel data in Volkswagen computers.

General Motors officials have consistently refused to talk peacefully while VW failed to withdraw its charges, stressing that their legal complaints made no mention of VW itself.

## French central bank signals easing of monetary policy

Continued from Page 1

expecting cuts in the intervention rate, which provides a floor for the intervention rate, which provides a floor for money market rates and stands at 6.75 per cent, and the 10 to 10 day borrowing rate, which stands at 10 per cent.

The timing of reductions in French interest rates will depend on the Bundesbank's council meeting. If it decides on a cut in German rates this would allow France to trim its intervention rate, perhaps as early as next

Monday. However, unchanged German rates could lead to renewed pressures on the franc.

Investors are eager for further rate cuts in France to help revive the recession-hit economy and are not particularly concerned with any impact on inflation.

The inflation figures for July, released yesterday by Insee, the national statistics institute, supported this view. The figures confirmed that consumer prices rose by just 0.1 per cent in July, compared with June, and that annualised inflation at the end of last month was down to 2.1 per cent.

## S Africa

Continued from Page 1

productivity in the non-agricultural sectors had increased at a rate substantially higher than in the past; however this reflected less a strong commitment to work than a more rapid rate of retrenchments. Growth in productivity continued to fall below pay growth, so real unit labour costs continued to increase.

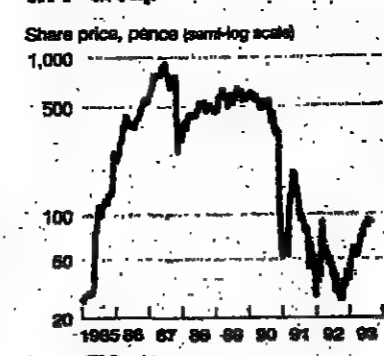
But inflation appeared to be coming under control, with the consumer price index falling from 16.5 per cent in October 1991 to 10 per cent in June 1993, despite a 4 percentage point rise in value added tax in April.

## THE LEX COLUMN

## Marking the French test

FT-SE Index: 3042.0 (-15.8)

### WPP Group



All, which requires either drastic pruning or complete uprooting. Yet with alternative use values for the out of town sites so low, the cost of exit is almost unbearable. Boots' strong cash flow might allow it to take the pain of closing Do it All, but its partner WH Smith is not so well placed. Smiths may well show a cash outflow when it reports full-year figures tomorrow, and its smaller balance sheet would be hard pressed to take the strain. If that means that the agency is doomed to continue in the sheds which only cost DIY shopkeepers £2m-£3m, what might happen to food retailers faced with a similar plight in air conditioned freehold barns costing £25m apiece?

### Lloyd's

The modest queue of corporate financiers forming outside Lloyd's must be heartening for the management of the stricken insurance market. Whether investors will be tempted to put money into Finstar's trustees or any of the other investment vehicles waiting in the wings remains an open question. Since the terms for which corporate capital might be admitted will not be decided by Lloyd's council until next month - and not put to the vote until October 30 - there can be no sure answer.

For corporate capital to stand a chance of participating in the 1994 underwriting year, the banks will have to move fast thereafter. Finstar has opted for an investment trust, Sedgwick and BZW are working on a quoted investment company. US investment banks will doubtless have their own novel ideas. All will stand or fall, though, on their ability to pick

winners among underwriting syndicates.

### WPP

The banks which agreed to last year's debt-for-equity swap at WPP may be pleasantly surprised by the recent run of the shares. Yesterday's closing price represents a handsome premium over the level at which their preference shares can be converted next week. Little wonder that most fully intend to exercise that option, and take profits, rather than hang on in the hope of more.

The conversion will act as a drag on the shares, since buyers will have to be found for around 11 per cent of WPP's share capital. The situation is likely to recur next year when the banks are free to convert their remaining preference. Longer term prospects turn, though, on WPP's ability to generate more revenue while keeping a lid on costs. Revenue growth of 5 per cent in the first half - a cause exchange rate movements are stripped out - and a slight improvement in margins is thus encouraging.

But with recession taking hold in Europe and only a sluggish recovery in the US, that rate of progress can not be taken for granted. Discounting in markets from cigarettes to detergent also poses a threat to the branded goods companies on which WPP depends. One response by its clients would be to defend market share and the remaining price differential of branded goods over generic products by increasing marketing spend. The wary alternative would be to defend margins by taking an axe to advertising.

### British Rail

British Rail's management seems wedded to the notion that the best way to raise net revenues at times of weak demand is to cut services and raise prices. Such an attitude comes naturally, to a monopoly which believes it can shamelessly exploit a captive customer base. Even in New South Wales' commuter rail, it is starting to look old-fashioned.

Sooner or later a policy of charging more for less will lead inexorably to lower rather than higher revenues. If nothing else, private ownership of rail would surely see a more imaginative approach to revenue generation. Increased usage might even produce a lower unit cost, for all the expensive track and signalling infrastructure.

## NEW BES ALL THE POTENTIAL OF THE STOCK MARKET WITH A KNOWN MINIMUM RETURN

If you are interested, you should find out more about Save & Prosper Bessa Oxbridge, which can provide:

- an arranged exit to provide a known rate of return
- an exposure to the FT-SE 100 Share Index
- tax relief of up to 40% on your original investment - plus tax-free investment returns.

For further details about Save & Prosper Bessa Oxbridge, please phone Save & Prosper's free Moneyline on 0800 282 101 for a copy of the prospectus. Or return the coupon below. Alternatively discuss this attractive investment with your usual financial adviser.

**CALL FREE 0800 282 101**

9.00 a.m. - 5.30 p.m. 7 DAYS A WEEK

Save & Prosper Bessa Oxbridge is an offer for subscription made under the Business Expansion Scheme (BES). Save & Prosper is acting as distribution agent to the sponsors, Clive Brothers Investments Limited, in respect of this BES issue. Nothing in this document should be construed as constituting an invitation to subscribe to shares in any BES company which can be done only on the basis of the information contained within a relevant prospectus. The value of shares can go down as well as up and you may not get back the full amount you invested. Tax concessions are not guaranteed and may be changed from time to time; their value will depend on your individual circumstances. BES shares must be retained for at least five years if tax relief is not to be lost. There will be no recognised market for the shares and so it may be difficult for investors to sell their shares or to obtain reliable information about their value. Save & Prosper Group Limited is a member of BMO and Loma. Registered Office: 1 Finstar Avenue, London EC2M 2QY. Registered in England No. 288553. This advertisement has been approved by Save & Prosper Group Ltd.

Please send me a prospectus for Save & Prosper Bessa Oxbridge.

Surname: \_\_\_\_\_ Forename: \_\_\_\_\_

Mr/Ms/Ms: \_\_\_\_\_

Address: \_\_\_\_\_

Save & Prosper: \_\_\_\_\_

Account Number (if any): \_\_\_\_\_

Please include your telephone number above if you would like us to offer you further information or advice.

TEL (STD) \_\_\_\_\_ No. \_\_\_\_\_ TEL (STD) \_\_\_\_\_ No. \_\_\_\_\_



### FA WORLD WEATHER

#### Europe today

A strong northerly air flow between low pressure over south-east Scandinavia and a large high pressure area west of Ireland will bring cool and unstable air over parts of the continent. The cool air will clash with a hot air mass over southern Italy and south-east Europe causing heavy rainfall and thunder showers from north-east Spain to the southern CIS. Severe thunder storms are expected, particularly over Austria and Hungary. Local thunder storms will erupt in Spain and northern parts of Italy. Ample sunshine in the Balkans will boost temperatures above 35C. Northern Europe will see some sunshine with a few showers, mainly in coastal areas.

#### Five-day forecast

The zone with thunder showers and rain will move south-east bringing lower temperatures as far south as Greece by Friday. Showers will slowly decrease over north-west Europe, although Scandinavia will stay mostly cloudy and showery. Warm and sunny conditions in the Mediterranean will be interrupted frequently by thunder showers. A lot of rain will fall east and south of the Alps until the weekend.

#### TODAY'S TEMPERATURES

Location	Max	Min	Location	Max	Min	Location	Max	Min
Abu Dhabi	31	24	Amman	27	18	Beijing	28	17
Algiers	31	24	Bombay	30	24	Buenos Aires	28	17
Amsterdam	15	10	Bombay	30	24	Buenos Aires	28	17
Atlanta	28	16	Bombay	30	24	Buenos Aires	28	17
B. Aires	28	16	Bombay	30	24	Buenos Aires	28	17
Bombay	30	24	Bombay	30	24	Buenos Aires	28	17
Bombay	30	24	Bombay	30	24	Buenos Aires	28	17
Bombay	30	24	Bombay	30	24	Buenos Aires	28	17
Bombay	30	24	Bombay	30	24	Buenos Aires	28	17

#### Forecasts by Meteo Consult of the Netherlands

Location	Forecast	Location	Forecast	Location	Forecast
Madrid	cloudy	Paris	cloudy	Rio	cloudy
Manila	cloudy	Perth	cloudy	Rome	cloudy
Moscow	cloudy	Porto	cloudy	S. Francisco	cloudy
Mumbai	cloudy	Prague	cloudy	Sydney	cloudy
Nairobi	cloudy	Reykjavik	cloudy	Taipei	cloudy
Nassau	cloudy	Rio	cloudy	Tokyo	cloudy
Nice	cloudy	Rome	cloudy	Toronto	cloudy
Norwich	cloudy	S. Francisco	cloudy	Turkey	cloudy
Oslo	cloudy	Sydney	cloudy	U.S.A.	cloudy
Oslo	cloudy	Taipei	cloudy	Vancouver	cloudy
Oslo	cloudy	Tokyo	cloudy	Venezuela	cloudy
Oslo	cloudy	Toronto	cloudy	Warsaw	cloudy
Oslo	cloudy	Turkey	cloudy	Washington	cloudy
Oslo	cloudy	U.S.A.	cloudy	Wellington	cloudy
Oslo	cloudy	Vancouver	cloudy	Whitings	cloudy
Oslo	cloudy	Venezuela	cloudy	Zurich	cloudy

Your bonus program. Lufthansa Miles & More.

**Lufthansa**

German Airlines

**IMI**

for building products, drinks dispense, fluid power, special engineering.  
IMI plc, Birmingham, England.

# FINANCIAL TIMES COMPANIES & MARKETS

THE FINANCIAL TIMES LIMITED 1993

Tuesday August 24 1993

**BOMBS  
VANDALISM  
BREAK-INS .... YOU NEED**  
**Armashield**  
TOTAL GLASS PROTECTION SYSTEM  
Tel: 0481 823556 Fax 0481 823576

## INSIDE

### Austrian brewer in rights issue

Brau Belegungs (BBAG), Austria's leading brewery group, is seeking to raise \$1.5bn (\$160.5m) through a rights issue for itself and a warrant rights issue for its main subsidiary, Brau Union. Page 16

### Fight over Canadian skies

The drawn-out fight for survival between Canada's two main airlines is nearing a climax. However, Air Canada and Canadian Airlines International, with combined debts of C\$4.2bn (US\$3.2bn), are bleeding profusely. The latest salvoes have come from Air Canada, which is trying to thwart an alliance between Canadian and AMR Corporation of Dallas, parent company of American Airlines. Page 16

### Dutch trading moves abroad

The popularity of Dutch shares among foreign investors is proving to be a curse as well as a blessing for the Amsterdam Stock Exchange. Strong foreign demand for the likes of Royal Dutch, Philips and Heineken means that a high percentage of trading in Dutch blue chips is now conducted abroad rather than in Amsterdam. Page 17

### Bond unit for Guinness Mahon

Guinness Mahon, the UK merchant bank owned by the Bank of Yokohama, is setting up a capital markets operation which will specialise in broking bonds. Page 18

### The return of Howard Hodgson

Mr Howard Hodgson, one of the more flamboyant entrepreneurs of the 1980s, has returned to the London stock market as the biggest shareholder and chief executive of Hoskins Brewery, the Leicester real ale brewer. Page 20

### Hibernian reaches a record

Hibernian, the Dublin-based insurance group, reported a 2.3% rise in first-half pre-tax profits to a record £8.9m (£12.6m), despite increased underwriting losses of £8.5m. Mr Cecil Hayes, general manager finance, described the results, attributed to an increase in investment income, as "very satisfactory". Page 19

### Sharp rise for GPG

Guinness Peat Group, the UK investment vehicle of New Zealand entrepreneur Sir Ron Brierley, reported a sharp rise in first-half pre-tax profits to £5.7m (£10.1m), compared with £3.1m for the nine months ending June last year. Page 20

### Fungus forces up US wheat

US wheat prices jumped last week after the discovery of a poisonous fungus in the spring wheat crop. The crop quality concerns have since abated, but are still sufficiently significant, analysts say, to sustain firm prices for high quality wheat worldwide. Page 21

### Cross-Channel falls

**Euro Disney**  
Share price (FFr)  
100  
90  
80  
70  
60  
50  
Mar 1993 Aug  
Source: FT Graphs

In Paris Euro Disney shares fell 4 per cent shortly after the opening following negative media comment at the weekend and confirmation by the group that summer bookings had been weak. Like- wise in London the shares lost 3 per cent, falling 20p to 620p. Mr Nigel Reed at Paribas Capital Markets believes the company will "need an injection of finance to keep it going". World Stock Markets, Bank Page; LSE, Page 22

### Market Statistics

Base lending rates	30	London stock index	22-25
Benchmark Govt bonds	18	Life equity options	18
FT-A indices	22	London trade options	18
FT-A world indices	25-30	Managed fund service	25-30
FT fixed interest indices	18	Money markets	30
FT/ISMA int bond svc	18	New int. bond issues	18
FT guide to currencies	18	World commodity prices	21
Financial futures	30	World stock ind. indices	21
Foreign exchanges	30	UK dividends announced	19
London recent issues	18		

### Companies in this issue

Aerospac Eng	20	Hoskins Brewery	20
Air Canada	16	Hungerford Wine	19
Allied Lyons	18	Ladbrokes	18, 19
BTR	18	MAN	18
Bikuben	16	Morgan Stanley	18
Brau Belegungs	16	Nissan	7
Bridgestone	18	Northern Foods	22
British Telecom	7	Playmate	17
Canadian Airlines	16	Ren Brothers	19
Coal and Allied	17	SSAB	19
Copymore	30	Shinkins & McEwan	10
Cowie (I)	19	South China Post	17
Euro Disney	16	Tarmac	22
Eurotunnel	22	Toshiba	6
Firestone	18	UBS	18
GEC Alsthom	8	Uni Storebrand	17
General Accident	19	Variety	17
Guinness Peat	19	Vodafone	22
Hibernian	18	WPP	15
Holmes Protection	19	Walt Disney	15

### Chief price changes yesterday

FRANKFURT (DM)					
Paella	185.5	- 0.3	Race Lynxville	704	+ 24
ADS	214.3	- 7.7	Imvo de France	1088	+ 48
Karstadt	579	- 18	St Aquat'n Cls	368.9	- 10.1
M&M Prod	274	- 12.5	Lafarge Copper	423.5	- 16.5
Porsche	625	- 25	Roedel-United	585	- 23
Schering	960.3	- 23.7	TOREX (US\$)		
NEW YORK (\$)					
Paella	97.3	- 1	Wine		
Gen Electric	85	- 1	Brother Ind	550	+ 19
Int'l Power	32	- 1	Paella	495	- 19
Merck	62	- 1	Paella Corp	757	- 24
Pfizer	48	- 1	Almad Peckham	762	- 28
Praxair & Gnt	58	- 2	Nippon Fire	590	- 24
United Healthcare	58	- 2	Nitro	591	- 23
WALSH (FFr)					
Fluore	542	+ 17	Shokun Jutaku	551	- 23
Ecco					

New York prices at 12:30.

LONDON (Pence)					
Shares	110	+ 7	Rayson	233	+ 12
Andrew Sykes	78	+ 8	Paella	95	+ 4
Chilman Radio	78	+ 8	Paella	95	+ 4
Copmore	47	+ 3	Paella	95	+ 4
Costa Group	90	+ 20	Paella	95	+ 4
Esso	107	+ 2	Paella	95	+ 4
Everett-Ford	107	+ 2	Paella	95	+ 4
Paella	107	+ 2	Paella	95	+ 4
Guinness Peat	107	+ 2	Paella	95	+ 4
Hoskins	107	+ 2	Paella	95	+ 4
Manitex	107	+ 2	Paella	95	+ 4
Standard	107	+ 2	Paella	95	+ 4
Walt Disney	107	+ 2	Paella	95	+ 4
WPP	107	+ 2	Paella	95	+ 4

## WPP cautious on fragile upturn

By Roland Rudd in London

WPP GROUP, the marketing services company, remains cautious about an upturn in its markets in spite of reporting pre-tax profits of £24.1m (\$33.7m), up from £1.8m, in the half-year to June 30. The result was helped by the absence of last year's £13.5m restructuring charge.

Mr Martin Sorrell, chief executive, said: "The economic recovery, such as it is, remains delicate and unsettled especially in

the US and the UK. "On the basis of client experience to date, it is possible that a recovery will be delayed for some time."

The group is paying an interim dividend of 0.35p, as it forecast at the time of its rights issue in March: the first payout since 1990.

The shares rose 3p to 93p. Reorganisation and rationalisation costs of £3.8m covered severance pay. Operating profit before this cost rose to £46.5m (from £35.1m). Billings increased to

£2.8bn (from £2.5bn) and group revenues rose by 18.4 per cent to £69.7m, although more than 10 per cent of that rise was due to the weaker pound.

Revenues in media advertising increased by 7.4 per cent in the first half. J Walter Thompson and Ogilvy & Mather generated net new business billings of more than £156m (\$235m) and £117m (\$178m) respectively.

However, while US advertising is showing signs of recovery, the group voiced its concern about

the extent to which President Clinton's tax proposals could affect US companies, which in turn might cut back on their advertising.

Public relation companies continued to lose money. Hill & Knowlton and Ogilvy Adams & Rinehart reported combined losses of \$4.8m, up from \$400,000. Net debt fell to £372m (from £478m) resulting in a lower interest charge of £15.6m (against £20.5m). The average net debt figure

reflects three months of proceeds of its £85m rights issue.

The group hopes to reduce borrowings further with the sale of Scali McCabe Sloves, the US agency. That sale is expected to fetch between \$40m and \$50m.

In the long-term, WPP is considering the flotation of its market research activities in south-east Asia and the sale of one or two smaller companies.

Earnings per share of 2.5p compare with a loss of 7.6p. Lex, Page 14

## Martin Dickson analyses the Japanese company's problems in a foreign market

# Bridgestone wakes from an American nightmare

A long American nightmare is finally over for Bridgestone, the Japanese rubber company which found itself in severe difficulties after it snapped up Firestone, the large US tyre manufacturer, in an ambitious \$2.6bn takeover five years ago. This is the first year since then that Bridgestone/Firestone (BFS), the US company formed after the takeover, will make an annual profit.

The newly confident company claims to be gaining ground in an intensely competitive market - but so too does Goodyear Tire & Rubber, the market leader, which last month reported one of its best quarterly results ever.

Goodyear had an estimated 15.5 per cent share of the US replacement car tyre market in 1992, compared with 7.5 per cent for Firestone and 3.5 per cent for BFS's separate Bridgestone brand, according to Modern Tire Dealer magazine.

The financial upturn is a welcome change for BFS, which lost \$60m in 1990, \$500m the following year and \$145m in 1992 - even though it broke even in the second half of last year.

And it is an important development for the company's Japanese parent, which staked much of its future on the 1988 takeover. Before the deal, it was number one in the Asian tyre market, but an also-ran elsewhere.

Bridgestone's problems in the US, and the way it has gone about solving them, show that Japanese companies are far from infallible in penetrating foreign markets, particularly when taking over another company rather than building their own business from scratch.

"The problems of Firestone have proved to be far more difficult than anyone expected," says

Mr Sunil Kumar, president of BFS's tyre sales business.

Originally, Bridgestone merely wanted to take a majority stake in the Firestone tyre business, but it was pushed into a full takeover when Italy's Pirelli launched a competing offer.

It knew that it would face some post-merger difficulties. When it bought a truck tyre plant from Firestone in Tennessee in the early 1980s, it found the equipment run down and labour relations poor.

Nevertheless, it remained ill-prepared for the sheer scale of modernisation required and for the headaches of merging two corporate cultures, as well as different manufacturing and distribution systems.

Bridgestone was forced in 1991 to pump an additional \$1.4bn of capital into the subsidiary to halve its debt.

The problems were compounded by the onset of recession in the US, which cut demand for tyres, and by the Japanese company's "kid gloves" approach to its acquisition.

Rather than aggressively merging the two companies, it initially kept Firestone's sales and marketing operations separate from Bridgestone's, thus losing many of the cost advantages of the deal and fostering competition between the two arms.

"They didn't want to do anything which might injure Firestone," says Mr Kumar. "I think they ended up injuring everyone." He says there were numerous examples of Bridgestone salesmen calling on dealers and trying to encourage them to buy Bridgestone tyres rather than Firestone.

However, BFS's fortunes turned for the better in 1991 when the parent company adopted a more hands-on

approach, despatching Mr Yoshihiro Kaizaki, a senior executive from Tokyo, to replace Mr George Aucott, the then chief executive.

"He changed the attitude of everyone in the company," says Mr Kumar. "Before, everyone went around stating at their shoes feeling we were losers."

Mr Kaizaki, who returned to Japan last March to become president of Bridgestone, rapidly consolidated the two marketing operations. He reorganised the company into 31 independent business units, each with responsibility for profits.

Whereas the two brands had previously been treated as "separate but equal", they were now "together but unequal" - in other words aimed at different market niches. Bridgestone tyres tend to have an up-market performance image, while Firestone is more for the mass market.

Mr Kaizaki switched the group's headquarters from Akron, Ohio, where Firestone was based, to Nashville, Tennessee, where Bridgestone had been headquartered. Nashville offered a geographically central location and a fresh beginning.

However, BFS is also benefiting from initiatives stretching back to 1988.

They include a \$1.5bn manufacturing modernisation programme, announced six months after the takeover; the transfer of Japanese tyre-making technology, including a greenfield, state-of-the-art truck tyre plant in Warren, Tennessee, about to undergo a \$100m expansion; and the introduction of "kaizen", continual manufacturing improvement through the involvement of shop-floor workers.

All these factors, says Mr Kenji Shibata, BFS president, have

### North American car tyre market

For new cars

1992

Goodyear 35.5%

Michelin 13.1%

Firestone 19.6%

Uniroyal Goodrich 17.0%

General 12.8%

Dunlop 2.9%

1990

Goodyear 36.5%

Michelin 15.7%

Firestone 17.0%

Uniroyal Goodrich 17.0%

General 12.0%

Bridgestone 0.3%

Dunlop 1.1%

1992

Goodyear 38.0%

Michelin 17.0%

Firestone 15.0%

Uniroyal Goodrich 14.0%

General 10.3%

Bridgestone 1.0%

Dunlop 2.8%

Yokohama 0.2%

Source: Modern Tire Dealer

### Replacement tyres 1992

Goodyear 16.5%

Michelin 8.0%

Firestone 7.5%

General 6.0%

Seas 5.0%

Cooper 4.0%

Uniroyal Goodrich 3.5%

Bridgestone 3.5%

Kelly 3.0%

Multi-Mile 3.0%

## MAN to cut staff as demand falls and profit slumps 45%

By Christopher Parkes in Frankfurt

MAN, the German trucks and engineering group, is to cut its dividend to DM8.50 from DM12 last time following a 45 per cent drop in the year to the end of June.

Net earnings fell from a record DM418m (\$261m) to a provisional DM230m on sales of DM19bn, down 1 per cent on the previous financial year, the group said in an interim report yesterday.

There had been no improvement in business conditions since publication of the company's half-year report in February, it added. The backlog of outstanding orders totalled DM14bn at the end of the year under review, 15 per cent lower than in 1991-92.

Income orders for the year were down 8 per cent at

DM16.8bn. While foreign demand was up 2 per cent, domestic orders were 20 per cent lower at DM6.7bn. Although that suggests improvement from the first half, when total new business was down 14 per cent, the group showed few signs of optimism.

However, it said, after climbing steadily through the year, incoming orders in the fourth quarter, at DM4.8bn, were 5 per cent above the last quarter of the previous year.

MAN, Germany's second-biggest truck maker after Mercedes-Benz, said personnel cuts would have to continue, particularly in commercial vehicles and the MAN Roland printing machinery divisions.

The group has shed nearly 6,000 workers, approximately 9 per cent of its payroll, since mid-1991. Profit figures for this year

include provisions for 3,300 more job losses in the current year.

Demand for commercial vehicles was down 13 per cent on the year, while orders for engineering products and plant were 6 per cent lower.

An 11 per cent rise in turnover from trading activities helped offset a fall of 8 per cent in trucks and no change in engineering sales. Vehicles account for about 40 per cent of group sales and more than half of its annual earnings.

German industry was still in deep recession, the report said, and capital investment was falling faster. Weaknesses in most European markets had been exacerbated by devaluations against the D-Mark, while improvements in the US economy had still not had any discernible effects on the group's business.

## Tomkins pays \$15m incentive

By Richard Gourley in London

MR RICHARD CARR, the man who fashioned a crucial US expansion for Tomkins, the UK-based conglomerate, probably securing its growth as one of the country's largest companies, has received \$15.1m for his efforts.

The payment, modest by the standards of many US-style incentive packages, is believed to be one of the largest made to a working UK director.

Mr Greg Hutchings, Tomkins chief executive, said that without the three US acquisitions made by Mr Carr, Tomkins would not have made it through the UK recession.

Mr Carr remains international mergers and acquisitions director, received the payment in March in accordance with a 1987 agreement set up when Tomkins

was seeking to expand through acquisition but was not prepared to set up a US office.

Beating a US first trodden 14 years earlier by Lord White, who led the successful US acquisition programme for Hanson, Mr Carr set up an office in New York in 1987 to find potential targets. He was required to invest \$150,000 of his own money which he would have lost had the acquisitions failed.

Mr Hutchings said Mr Carr "had a lot of downside and we had no downside".

Only after Mr Carr made the first acquisition, the \$13m purchase of Smith & Wesson, the hand-gun manufacturer in June 1987, and the conglomerate set up a US office did he join Tomkins executive team.

Tomkins then went on to

acquire Murray Ohio for \$228m in August 1988 and Phillips Industries for \$550m two years later.

Mr Carr's 1987 agreement stated that Mr Carr would be entitled to an interest in 10 per cent "in the growth of the assessed value of businesses he identified which Tomkins purchased", according to the Tomkins annual report published yesterday.

These three US businesses generated sales of \$1.72bn and earnings of \$75.2m in the year to May 1992, entitling Mr Carr to the \$15.1m payment.

Mr Hutchings denied the decision to buy out Mr Carr's interest suggested Tomkins would make its next acquisition in the US. Such a move could have led to a much larger payment to Mr Carr.

This announcement appears as a matter of record only.

## AGA-VITKOVICE a.s.

CZK 170,000,000

Seven years facility

## PROJECT LOAN FACILITY

Provided by  
ING BANK PRAGUE

ING BANK

Internationale  
Nederlanden  
Bank

July 1993

هنگامی که لازم

## INTERNATIONAL COMPANIES AND FINANCE

## Austria's leading brewer seeks to raise Sch1.9bn

By Ian Rodger in Vienna

BRAU Belegungs (BBAG), Austria's leading brewery group, is seeking to raise Sch1.9bn (\$160.5m) through a rights issue for itself and a warrant rights issue for its main subsidiary, Brau Union.

The group, which dominates the Austrian beer market with a share of more than 60 per cent, has also disclosed first-half consolidated pre-tax profit of Sch333m, up from Sch199m last year. All but Sch37m of the rise came from property and share sales.

BBAG, one of Europe's largest brewing groups with annual output of over 8m hectolitres of beer, has undergone a restructuring in the past year, simplifying a complex web of cross-holdings among Austrian brewers. Two main sub-groups, both quoted on the Vienna Bourse, have emerged.

Brau Union, in which BBAG has a 66 per cent stake, has all the group's brewing interests, both in Austria and in eastern Europe. BBAG itself bottles soft drinks, mineral waters and fruit juices.

BBAG's first-half consolidated sales were up 5 per cent to Sch5.2bn. Mr Christian Beurle, chief executive, forecast that pre-tax profit would rise 19 per cent to Sch550m in the full year.

Proceeds from the rights issues are to be used for financing expansion opportunities in eastern Europe. Both issues are on the basis of one new share for every five held. Prices will be struck on September 24.

The BBAG issue is a conventional one, with a two-week exercise period. The Brau Union issue will run for six months from October 22.

"It is really a rights issue disguised as a warrant," Mr Walter Schuster, deputy director of capital markets at GiroCredit Bank, said. Mr Schuster, who conceived the idea, said the problem was that both companies wanted to raise new capital, and their plan was for BBAG to go to the market this year and Brau Union a year later.

Schwechater Holdings, which owns 68 per cent of BBAG, will not be taking up its rights, so its stake will fall to 52 per cent. A banking group led by GiroCredit and Creditanstalt in Austria and Credit Suisse First Boston abroad, is underwriting the BBAG issue, and will place available shares with domestic and foreign investors.

The Brau Union issue is not being underwritten. BBAG is not taking up its rights, and the banking group will try to sell these shares in the market.

## Cost-cuts and weaker krona lift SSAB profit

By Christopher Brown-Hume in Stockholm

COST-CUTTING and the weaker krona helped SSAB, the Swedish steel group, more than double first-half pre-tax profits, to SKr338m (\$42.5m) from SKr128m, despite the difficult market conditions which continued to depress sales.

The group, privatised last year, said it had cut processing costs by 5 per cent since the 1992 first half and by 10 per cent since 1990. Staff numbers have fallen by 2.5 per cent to 9,706 since the year-end.

Lower volumes led to a 2 per cent decline in sales to SKr6.35bn, even though prices were 3 per cent higher in krona terms because of the weakening of the Swedish currency.

The group's steel plate division, SSAB Tunnplatt, lifted profits to SKr58m from SKr18m, while the heavy plate unit boosted profits to SKr100m from SKr55m. Both the building products division, Plannja, and the Tinnor trading unit returned to the black, with profits of SKr33m and SKr13m respectively.

SSAB said it expected to make a profit in the second half for the first time since 1990. Last year it made a SKr165m loss.

## Dogfight in Canada's skies nears climax

Bernard Simon reports on what has become a bitter and messy corporate battle

A BARRAGE of noisy volleys over the past fortnight suggests that the drawn-out fight for survival between Canada's two main airlines is nearing a climax.

Air Canada and Canadian Airlines International are firing every weapon at their disposal as each seeks supremacy in a battle which has become increasingly frantic, but remains as confused and unpredictable as when it began almost two years ago.

The only certainty is that both airlines, with combined debts of C\$4.2bn (US\$3.2bn), are bleeding profusely. Foreign carriers complain that fare-cutting by the two combatants is severely undermining the profitability of their Canadian routes. "Whatever one does, the other will do in spades," says the representative of one European airline in Toronto.

Mr Ted Larkin, analyst at Bunting Warburg in Toronto, predicts that whatever the outcome, the survivor (or survivors) will require a heavy injection of equity.

The latest salvoes have come from Air Canada, which is desperately trying to thwart a planned alliance between Canadian and AMR Corporation of Dallas, parent company of American Airlines.

AMR would secure Canada's future by infusing C\$340m of new capital in exchange for a 33 per cent equity stake. But the US carrier has put a gun to Canada's head by setting an end-1993 deadline for the deal to be finalised.

As an alternative to the American deal, Air Canada last week offered to pay C\$200m for Canadian's offshore routes to Asia, Europe and South America. It would also take over losses on the aircraft which currently fly those routes, making the total deal worth about C\$1bn. Canadian would be left as a domestic carrier.

Air Canada's offer, like other moves it has made, is shrewdly timed. As a former quasi-state-owned corporation which was privatised in 1989, the Montreal-based airline "knows how to pull the levers of politics," one Toronto analyst says.

The proposal comes on the eve of crucial votes on August 27 by shareholders and creditors of PWA, Canadian's parent company, on a financial restructuring. Air Canada's offer to take over some of the jewels of Canadian's fleet means that senior creditors who hold the leases on these aircraft can look forward to cash payments, rather than the near-worthless common shares offered to them under PWA's restructuring plan.

Air Canada has also sought to defuse criticism that any solution other than the deal with American would result in huge job losses at Canadian, especially on its home turf in western Canada. Air Canada has offered, for instance, to set up a wide-body jet maintenance base in Vancouver and to employ all Canadian's international crews.

Meanwhile, the Montreal-based carrier has shored up public support on its own doorstep by signing a tentative letter of intent last week to buy up to 46 Bombardier Regional Jets from Bombardier, the transportation group whose main assembly plant is also in Montreal.

Canadian has so far rejected Air Canada's overtures outright. Mr Rhys Byton, Canadian's chairman, called the bid for its routes part of "a diabolical plot" to kill his airline.

If nothing else, having to shrink Canadian from an international airline flying to five continents to an insignificant domestic carrier would be a severe humiliation. Canadian has its roots in Pacific Western Airlines, which was a profitable regional carrier before it over-stretched by swallowing Canadian Pacific Airlines and Wardair in the late 1980s.

Mr Larkin says, however, that Air Canada's latest proposal plus American's year-end deadline have put Canadian against the wall. "The options have become more limited," he says. "Time is running out."

Canadian has pleaded for the government to come to the rescue, though it has yet to specify in what way. It argues that if the deal with American collapses, thousands of jobs will be lost and the national interest damaged by leaving Air Canada as an unfettered monopoly.

Loan guarantees from the federal and several provincial governments have helped keep Canadian flying for the past year. But with a general election looming, politicians are now more reluctant to become involved as they find themselves torn between two high-profile companies, each with its own powerful regional constituency.

The dilemma for the government is epitomised by the fact that Ms Kim Campbell, the prime minister, comes from Vancouver, while her transport minister, Mr Jean Corbeil, is a Quebecer.

Canadian's best (and perhaps last) hope of clinching the deal with American lies with the quasi-judicial Competition Tribunal in Ottawa.

The tribunal will convene on September 8 to consider the latest of many tortuous attempts by Canadian to extricate itself from the Gemini

condition of Canadian's entire deal with American is that Canadian sever its ties with Gemini and take its business to AMR's Sabre system. AMR wants to use Canadian as a guinea pig and a showpiece for its business of providing management services to airlines, other transport companies and hotels.

Canadian contends that the dissolution of Gemini would preserve competition in the airline industry. But Air Canada is fighting its rival's effort to withdraw from Gemini, arguing that Canadian is legally bound to remain in Gemini until 1999, and that its withdrawal would undermine the network's viability.

The competition tribunal, which has considered the Gemini issue once before, is expected to come to a quick decision. What that decision will be is largely a matter of conjecture. One way or the other, however, it will provide a pointer to the outcome of what has become one of Canada's most messy corporate battles.

## Bikuben returns to black as loss provisions double

By Hilary Barnes in Copenhagen

BIKUBEN, Denmark's third-largest bank, reported a first-half pre-tax profit of DKr207m (\$30m) compared with a loss of DKr442m in the same period last year.

The bank returned to profit despite a doubling of loss provisions to DKr1.68bn from DKr781m, which Mr Borge Munk Skibsen, the bank's chief executive officer, described as reflecting "the culmination of a series of the economic difficulties which have hit Danish business in recent years".

The bank has become involved in a legal dispute over the interest formula on \$50m in subordinated loan capital subscribed to Bikuben by the Danish dairy group, MD Foods. As a consequence, the bank has decided not to include the loan in the capital base at the half-year, which nevertheless left the bank with a capital adequacy ratio of 10.5 per cent.

The main contribution to the improvement in the bank's performance in the first half was a DKr784m gain from the value adjustment of the securities portfolio.

## Ladbroke DIY chain shake-up

By Neil Buckley in London

TEXAS Homecare, Ladbroke's DIY chain, yesterday announced a shake-up at the top. It appointed Mr John Coleman, former managing director of the Dorothy Perkins chain, as chief executive. It also revealed that Mr Ron Trenter, Texas chairman, would move shortly to another position within Ladbroke.

Mr Peter George, vice-chairman, had long been seen as heir apparent to Mr Cyril Stein, Ladbroke's chairman, and analysts said it was unlikely that Mr Trenter was being groomed to succeed him.

By Karen Fosell in Oslo

UNI Storebrand, Norway's largest insurance group, yesterday announced sharply improved first half pre-tax profits to Nkr639m (\$94.8m) from Nkr79m in the same period last year, helped by substantial gains on securities.

The group boosted net operating income to Nkr10.93bn from Nkr10.1bn. The increase was achieved despite a loss in premium income by the life business which saw market share decline by 2.8 percentage points to 31.9 per cent in terms of premiums written during the last year.

Uni said group operating expenses had been cut by 2.67 per cent during the six-month interim to Nkr8.69bn from

UNI STOREBRAND has reached advanced stages of planning a spin-off of Christiania General Insurance, the group's New York-based reinsurance business, into a separate company listed on the New York Stock Exchange, writes Karen Fosell.

Uni said a prospectus for an issue of Christiania General shares was almost complete and that a valuation was almost finished. The company added that limited group resources would in future prevent it from financing the further development of Christiania General.

Earlier this year, Uni had considered either disposing of Christiania General or seeking a strategic partner for the entity, but this had been become difficult during a period of consolidation of the US reinsurance market.

Credit Suisse First Boston, among others, are advising Uni on the move.

Christiania General has assets of \$300m and is ranked 11 among US reinsurers. Last year the unit returned a surplus of about \$120m under US accounting principles, compared with a deficit of \$125m in 1991.

quarter and stood at Nkr3.6bn at end-June. However, by the end of last month unrealised gains had increased further to Nkr3.51bn.

Uni pledged to place particular emphasis on quality assurance in future as part of measures to regain market confidence in the group following its release on July 13 from public administration.

Uni collapsed last August under the weight of Nkr3.8bn debt taken on to buy the Skandia shares in a failed attempt to gain control of the company.

The group's shares were relisted on the Oslo bourse in mid-June and Nkr3.8bn was raised through share and bond issues in a major recapitalisation of the group.

Uni said it made cash settlements to creditors last month whose claims had fallen due and been approved. The settlements involved full payment of principal, together with interest of about 11 per cent per year and reduced Uni's external debt and cash holdings by Nkr4.8bn.

This announcement appears as a matter of record only.

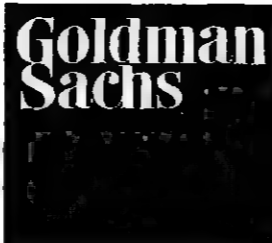
## The News Corporation Limited

has acquired from  
Hutchison Whampoa Limited and the Li family  
a 63.6% holding in

**STAR**  
A Hutchison Company



Goldman Sachs acted as the financial adviser to  
Hutchison Whampoa Limited and the Li family.



August 1993

## INVESTOR AB

SIX MONTH  
INTERIM REPORT 1993

## INVESTOR GROUP

Consolidated income after financial items for the Group amounted to SEK 406 million, against year-earlier income of SEK 2,083 m.

Investor's net worth, with Saab-Scania valued at its estimated yield value, decreased during the period to SEK 25,440 m. (December 31, 1992: SEK 32,415 m.), or SEK 140 (178) per share after full conversion. With Saab-Scania valued at its book value, net worth amounted to SEK 30,389 (30,122) m., or SEK 167 (166) per share.

## STRATEGIC PORTFOLIO

The value of Investor's portfolio of strategic holdings on June 30 amounted to SEK 21,606 (23,238) m. Adjusted for net changes, the value of the portfolio rose during the period by 6%. The Affärsvärlden General Index increased 19%. On August 18, the market value of the portfolio was SEK 26,170 m.

The entire holdings in ASEA and Garphyrtan were sold. After June 30, shares in STORA were sold as well.

On June 30 the largest holdings were in Astra, which accounted for 41% of the value of the portfolio, STORA 17%, Incentive 15% and SKF 8%. The six largest holdings together represented 96% of the portfolio.

## SAAB-SCANIA HOLDINGS

Consolidated sales of the Saab-Scania Holdings Group amounted to SEK 13,000 (13,700) m. Order bookings amounted to SEK 12,300 (23,300) m. The order backlog at the end of the period was SEK 30,200 (30,100) m.

The income after financial items of the business areas amounted to SEK 581 (1,172) m. Demand for Saab-Scania's principal products is expected to remain weak, because of which it is anticipated that Saab-Scania's business areas will report significantly lower income for 1993 than in the preceding year.

This is a summary of Investor's six month interim report 1993. The complete report can be obtained from Investor AB, S-103 32 Stockholm, Sweden, telephone +46-8-614 20 00.

## INTERNATIONAL COMPANIES AND CAPITAL MARKETS

## China to impose freeze on corporate bond issuance

By Tony Walker in Beijing

CHINA will place a freeze on enterprises issuing bonds in the latter part of this year in an effort to curb a bond-issuing spree that has raised concerns about the circulation of billions of yuan of worthless paper.

The English-language Business Weekly reported at the weekend that the People's Bank of China, China's central bank, and the State Planning Commission, were scrutinising all applications for new bond issues.

The paper quoted Mr Lu Pansheng, a central bank official, as saying that bond issues that have not already been approved will be stopped.

Companies seeking working capital through bond issues will be asked to apply for bank loans, the official said.

Some ¥20bn (\$3.45bn) of corporate bond issues had been planned for this year, but worries about the ability of

enterprises to service their commitments, and concerns about bonds draining money from the banking system, have prompted the latest measures.

Steps to curb unrestrained bond issues by enterprises seeking funds to expand their activities are part of a wide-spread crackdown by the Chinese authorities on a financial sector that had mushroomed out of control.

China's efforts to cool its overheating economy include a squeeze on credit, a demand that banks recall billions of yuan in loans for speculative ventures such as property, and a strengthening of control over the countries fledgling capital markets.

Mr Zhu Rongji, China's senior vice-premier in charge of the economy, was appointed last month to head the central bank. He wasted little time in installing a new team of deputy governors to assist him in unravelling China's financial morass.

Regulations issued earlier this month were also aimed at clamping down on the bond issuing binge. These included the requirement that enterprises not be permitted to issue bonds unless they had been profitable for the last three years.

Proceeds from the issuing of corporate bonds could not be spent on real estate speculation, securities, futures trading, or other risky investments that are not related to the enterprise's central business.

Companies which float bonds without approval or provide an interest rate higher than the one set by the central bank will be severely punished, the report said.

No mention was made of China's capital raising abroad. China has embarked on a fairly ambitious programme of international bond issues. These are almost certain to be coming under careful central bank scrutiny.

## Playmates hit by fall in Ninja Turtle sales

By Simon Davies in Hong Kong

PLAYMATES, the Hong Kong toy manufacturer which produces the Teenage Mutant Ninja Turtles, yesterday announced a further decline in earnings. First-half 1993 net profits fell 16.5 per cent, to HK\$146.6m (US\$18.9m).

The interim dividend is being cut from 7 cents a share to 5 cents.

At the peak of Turtle sales in 1991, the company posted six-month profits of HK\$409m. However, the product's popularity has waned and the company has failed to find an alternative source of income.

Turnover fell to HK\$600.6m from HK\$645.5m in 1992, despite the success of the group's Star Trek product line.

In addition, associate contributions swung to a HK\$12.6m loss, due to a negative contribution from the 37.5 per cent-owned Ideal Loists of France. The French toy group is expected to turn in a profit in the current half-year.

Like many other Hong Kong manufacturers, Playmates has turned to property development in an attempt to make up for dwindling profits from its toy core business.

Director Mr Edmund Ip said the company's "objective is to establish itself as a quality developer concentrating initially on smaller sites in carefully selected locations".

South China Morning Post, the News Corporation subsidiary which publishes Hong Kong's leading English language newspaper, reports a net profit of HK\$494m for the year ended June, down 7 per cent.

The fall was primarily the result of the full utilisation of tax losses during 1992. The figures were also adversely affected by the recent purchase of Wah Sin Yat Po, a Chinese language newspaper.

The dividend is being held at 30 cents a share.

## Dutch toughen bourse reforms

Ronald van de Krol looks at efforts to return trading to Amsterdam

THE popularity of Dutch shares among foreign investors is proving to be a curse as well as a blessing for the Amsterdam stock exchange.

Strong foreign demand for the likes of Royal Dutch, Philips and Heineken means an alarmingly high percentage of trading in Dutch blue chips is now conducted abroad - mainly on London's Stock Exchange Automated Quotation (Seaq) system - rather than in Amsterdam itself.

For years, Amsterdam has tried to ward off London's attractions by undertaking gradual reforms, such as abolishing stamp duty, encouraging direct bloc trading between banks, and automating the flow of orders onto the bourse floor.

However, these measures have had such little impact that the Amsterdam stock exchange is now gearing up to push through more radical reforms early next year.

According to Baron Boudewijn van Iersum, the bourse's chairman, the difference between the earlier reforms and those scheduled for next year is that "this time we are going to tackle the very core of the trading system itself".

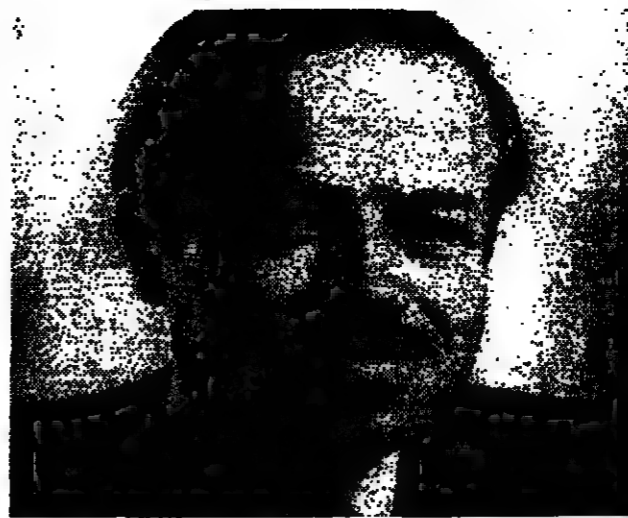
Until now, a central role on the Amsterdam exchange has been reserved for *hoekleden*, or stock jobbers, who bring together supply and demand by setting prices in the stocks in which they specialise. Often under-capitalised, and frequently criticised for their inability to take large positions, the "hoekmen" are the linchpins of a bourse which traces its history nearly 400 years to the issue of shares by the Dutch East India Company.

Under the proposed reforms, the 33 "hoekmen" firms will go, to be replaced by no more than 10 market "specialist" firms. At the same time, the market will be divided into retail and wholesale segments. In another departure, foreign brokers will be able to take part in the screen-based wholesale market without being present in Amsterdam.

Seven foreign-based houses have already taken out special membership of the exchange to participate in a new inter-professional trading system for Dutch government bonds.

The retail market will remain the domain of the specialists. The wholesale market will be based around Asset (Amsterdam Stock Exchange Trading System) screens, Amsterdam's answer to Seaq. Completing the new look will be Aida, an inter-professional dealing system modeled on Frankfurt's Iba.

Although it is partially following Seaq's lead, Amsterdam is consciously stopping short of adopting London's reliance on market-making. "We think the



Baron van Iersum: banks, brokers committed to new system

1992. Before then, any talk of doing away with the hoekmen was almost taboo. But McKinsey's survey of investors showed that 40 per cent of trading in Dutch shares had looked abroad, chiefly to London. The situation in Dutch bonds was even bleaker, with just 32 per cent traded at home, though this came as little surprise.

Perhaps the most worrying statistic was that just 33 per cent of "bloc" trades in Dutch shares, worth more than £11m (\$225,000), was conducted in Amsterdam in 1991, against 68 per cent in 1988.

McKinsey also showed that investors, including Dutch ones, were unhappy with Dutch banks and brokerages, complaining of uncompetitive rates and an aversion to taking risks in the market. This accounted for the trend towards seeking the services of foreign brokers, who in turn were more likely to use Seaq than Amsterdam.

Mr van Iersum said Dutch banks and brokers had now committed themselves to playing an active part in the new system. They will, in any case, "need to stick their necks out" more if they want to continue to create a primary market for the larger, internationally-orientated Dutch companies and to serve the Netherlands' powerful institutional investors, he said.

He noted that of all Europe's bourses, Amsterdam was the most exposed to competition from London. With a small home market and a preponderance of international companies, it relies on foreign buying of shares and, particularly, of bonds.

Because of its greater vulnerability, it is also "the first bourse on the continent that is ready to put a strategy vis-a-vis London into practice", he said.

## Australian coal producer's profits up 23%

By Bruce Jacques in Sydney

COAL and Allied Industries, the Australian coal producer, has increased net profits for the year to June by 23 per cent to A\$69.7m (US\$40.4m).

The result was achieved on a 7 per cent improvement in revenue to A\$657.4m. The company is stepping up its dividend from 60 cents to 70 cents a share.

Coal production rose marginally from 11m to 11.1m tonnes, but sales rose strongly from 11.1m to 11.9m tonnes.

Reviews of the underground operations led to significant reductions in employee numbers during the year. The board is making a provision of A\$35.1m before tax for diminution in the value of the assets. That provision led to a net A\$28.4m abnormal loss but this was offset by a A\$7.5m tax credit. Depreciation took A\$51.5m, against A\$44.4m.

## Vartiy surprises with \$14m net for quarter

By Karen Zagor in New York

SHARES in Vartiy, the US automotive, farm and industrial equipment maker, reached a 52-week high yesterday after the company posted better-than-expected second-quarter earnings.

In the latest quarter, it took a one-time charge of \$1.7m, or 5 cents a share, which left net income at \$14.4m, or 28 cents. In the same period of 1992, Vartiy had net income of \$14.1m, or 37 cents. Sales in the three months dropped to \$680.9m from \$691.4m, reflecting the disposal of several businesses.

Stripping out one-time charges, taxes and earnings of associated companies, Vartiy earned \$15.4m in the 1993 quarter against \$17.6m a year earlier. The shares rose 3% to \$38 1/2 at mid-session.

Mr Victor Rice, chairman and chief executive, said the company had cut its interest

expense by 73 per cent in the second quarter, reflecting the restructuring and financing actions. The company's consolidated debt is \$1bn lower than last year.

Kelsey-Hayes, the automotive components business, had operating income of \$18m on sales of \$255m. On a pro forma basis, earnings were \$13m on sales of \$225m in the 1992 period. The company attributed the rise to higher margins due to improved operating efficiencies.

Massey Ferguson, the farm equipment unit, had operating income of \$4m on sales of \$239m. On a pro forma basis, it earned \$4m on sales of \$263m last year. Although Massey's main European market has been weak this year, it expects the business to remain profitable in 1993.

The UK-based Perkin's engines business turned in flat earnings of \$1m.

All of these securities having been sold, this announcement appears as a matter of record only.

New Issue

August 1993

6,960,000 Shares

## Triangle Pacific Corp.

Common Stock

1,392,000 Shares

The above shares were offered outside the United States and Canada by the undersigned.

Donaldson, Lufkin & Jenrette  
Securities Corporation

Merrill Lynch International Limited

Cazenove &amp; Co.

Daiwa Europe Limited

Kleinwort Benson Limited

Paribas Capital Markets

N M Rothschild &amp; Sons Limited

Swiss Bank Corporation

Smith New Court Securities Limited

S.G. Warburg Securities

5,568,000 Shares

The above shares were offered in the United States and Canada by the undersigned.

Donaldson, Lufkin & Jenrette  
Securities Corporation

Merrill Lynch &amp; Co.

Bear, Stearns &amp; Co. Inc.

The First Boston Corporation

Alex. Brown &amp; Sons

BT Securities Corporation

Dillon, Read &amp; Co. Inc.

A.G. Edwards &amp; Sons, Inc.

Goldman, Sachs &amp; Co.

Hambrecht &amp; Quist

Kidder, Peabody &amp; Co.

Lazard Frères &amp; Co. Lehman Brothers

Montgomery Securities

J.P. Morgan Securities Inc.

Morgan Stanley &amp; Co.

PaineWebber Incorporated

Paribas Capital Markets

Prudential Securities Incorporated

Robertson, Stephens &amp; Company

Salomon Brothers Inc.

Smith Barney Shearson Inc.

Wertheim Schroder &amp; Co.

Dean Witter Reynolds Inc.

Advest, Inc.

Allen &amp; Company

Arnhold and S. Bleichroeder, Inc.

Robert W. Baird &amp; Co.

William Blair &amp; Company

J. C. Bradford &amp; Co.

Dain Bosworth

First Southwest Company

Interstate/Johnson Lane

Janney Montgomery Scott Inc.

C.J. Lawrence Inc.

Legg Mason Wood Walker

Mabon Securities Corp.

Morgan Keegan &amp; Company, Inc.

Neuberger &amp; Berman

Piper Jaffray Inc.

The Principal/Eppel, Guerin &amp; Turner, Inc.

Ragen MacKenzie

Rauscher Pierce Refsnes, Inc.

The Robinson-Humphrey Company, Inc.

Southwest Securities, Inc.

Stephens Inc.

Tucker Anthony

Wheat First Butcher &amp; Singer

Brean Murray, Foster Securities Inc.

Equitable Securities Corporation

First Manhattan Co.

C.L. King &amp; Associates, Inc.

Parker/Hunter

Pennsylvania Merchant Group Ltd

William K. Woodruff &amp; Company

This announcement appears as a matter of record only.

August, 1993



T.M.O.

TURKISH GRAIN BOARD

U.S.\$ 75,000,000

TWO YEAR FACILITY

Guaranteed by

THE REPUBLIC OF TURKEY

Underwriters and Lead Managers

ABC International Bank PLC, Paris Branch

The Dai-ichi Kangyo Bank, Limited

The Sakura Bank, Limited

Banque Internationale de Commerce

DG BANK Deutsche Genossenschaftsbank

Co-Lead Managers

Bank of Seoul - The Mitsubishi Trust and Banking Corporation

Managers

Bank Austria Aktiengesellschaft - Banque et Caisse d'Epargne de l'Etat, Luxembourg  
The Commercial Bank of Korea, Limited, Singapore Branch - Hua Nan Commercial Bank Ltd., Offshore  
Banking Branch Taipei Taiwan R.O.C. - Moscow Narodny Bank Limited - The Hokuetsu Bank, Ltd.

Funds provided by

ABC International Bank PLC, Paris Branch - The Dai-ichi Kangyo Bank, Limited - The Sakura Bank, Limited  
Banque Internationale de Commerce - DG BANK Deutsche Genossenschaftsbank - Bank of Seoul  
The Mitsubishi Trust and Banking Corporation - Bank Austria Aktiengesellschaft  
Banque et Caisse d'Epargne de l'Etat, Luxembourg - The Commercial Bank of Korea, Limited, Singapore Branch  
Hua Nan Commercial Bank Ltd., Offshore Banking Branch Taipei Taiwan R.O.C.  
Moscow Narodny Bank Limited - The Hokuetsu Bank Ltd. - Caixa Geral de Depositos  
Frankfurt Bukarest Bank AG - Iran Overseas Investment Bank Limited  
Monte Dei Paschi Di Siena, Frankfurt am Main Branch - The Daisan Bank, Ltd - The Shinwa Bank, Ltd  
United Taiwan Bank, S.A. - Salzburger Sparkasse Bank AG, Salzburg, Austria - Park Avenue Bank N.A.

Agent



Banque Internationale de Commerce

## THE BEST INFORMATION IN YOUR HAND

Futures Page delivers constant updates on currencies, futures, indices, interest rates and commodities 24 hours a day, with prices and news both direct from Reuters. Why try and do without it? Call 071-805 9400 for your FREE trial.

## FUTURES PAGER

**FUTURELINK**  
The latest, most reliable, cost effective feature. FUTURES, FOREX and NEWS services available via FT within London.  
LONDON 071 372 9779 CALL HYETRON ON PARIS 01 40 41 93 43

## Daily Gold Fax - free sample

from Chart Analysis Ltd. Tel: 071-234 7724  
7 Swallow Street, London W1R 7TD, UK. Fax: 071-439 4966  
commodity specialists for over 22 years. C.A. is a FIA and FMC Member.

ECU Terminated PLC  
29 Cheapside Place  
Bespoke  
London SW1A 2HL  
Tel: +71 245 0088  
Fax: +71 235 6999

**\$32 ROUND TRIP**  
EXECUTION ONLY-INTRODUCTORY OFFER

## INTERNATIONAL CAPITAL MARKETS

## Europe stands back ahead of German rate decision

By Peter John in London and Patrick Harverson in New York

EUROPEAN government bond markets were yesterday caught in the thrall of the German rate cut debate and held fast ahead of the first signals due today.

## GOVERNMENT BONDS

Many economists expect a quarter-point reduction in the all-important German discount rate to 8.25 per cent, which could allow France to lower its 6.75 per cent intervention rate. It would also give other EC members, particularly Belgium, a chance to ease further. However, high money supply figures last week cast a shadow over the leeway that the members of the Bundesbank Council will have when they return from their summer break for Thursday's meeting.

Analysts are waiting keenly to see whether Germany's reputation on Wednesday will be fixed at 6.8 per cent or variable. If the latter, the repo could rise slightly, increasing the gap with the discount rate. The first regional inflation figure is also expected today and could provide an opportunity for easing if it points to a national figure of less than 3

per cent on a three-month annualised basis. German government bond futures on Liffe rose 9 basis points to 97.07.

FRENCH debt prices marked time despite the suspension of the emergency 24-hour lending facility set up to counter the wave of franc selling that led to the broadening of the ERM bands at the beginning of the month.

The standard five-day to 10-day lending rate remained at a punishingly high 10 per cent but is expected to fall to the final 24-hour level of 7.75 per cent shortly. French 10-year futures closed two basis points firmer at 123.16. However, the balance of strength was on the shorter end of the yield curve which is more sensitive to interest rate cuts.

IN the UK, gilts were firm at the long end, but the sustained rally of recent weeks appeared to lose some impetus. With no significant domestic data or political factors to concentrate on, dealers waited to see what would happen in Germany. Long gilt futures were up at 112.15 by the close but the support was not there and turnover was just over a paltry 14,500 contracts.

HIGH-yielding markets were enlivened by a rate cut and

## FT FIXED INTEREST INDICES

	Aug 23	Aug 20	Aug 19	Aug 18	Aug 17	Year ago	High *	Low *
Govt Secs (100)	101.06	101.77	102.87	102.30	102.31	87.89	102.38	93.29
Fixed Interest	122.93	124.27	124.51	124.54	124.23	104.51	124.54	100.67
Basis 100: Government Securities 157/103; Fixed Interest 102/8.								
* For 1983, Government Securities high since compilation: 127.00 (8/1/79), low 48.18 (3/1/73)								
Fixed Interest high since compilation, 124.54 (1/8/73), low 90.53 (3/1/73)								

## COMPANY NEWS: UK AND IRELAND

## Rea and UBS in Lloyd's venture

By Richard Lapper

REA BROTHERS, the small independent merchant bank, and UBS, a subsidiary of the Union Bank of Switzerland, are joining forces to explore new investment opportunities at the Lloyd's of London insurance market.

A pathfinder prospectus for a £35m investment trust backed by the two groups and supplying capital to a range of Lloyd's syndicates could be issued in early October.

The two groups aim to list Finsbury Underwriting Investment Trust on the Stock Exchange.

A final decision to go ahead is dependent on the publication of a detailed rule book

governing the operation of "incorporated Names" by Lloyd's early next month.

Approval by existing Lloyd's Names, the individuals whose assets currently supply the market's capital base, will also be required. Names are due to meet on October 30 to vote on the market's initiative to attract corporate capital.

"We are fairly confident that if rules are promulgated that we can move ahead as we plan to. But there are no guarantees," said Mr David Lyons, a director of Rea Brothers.

In particular, Lloyd's will need to reassure investors that they will not be liable for liabilities arising from old insurance policies underwritten before 1988. Lloyd's announced

in April that it will transfer all such liabilities to a new company, establishing a ring fence to protect new investors.

"There must be absolute confidence that people will not be funding past losses. The ring fence must work," explained Mr Lyons.

Rea Brothers and UBS will work with Wren Underwriting Agencies and Finsbury Asset Management.

Investments of some £35m will allow Lloyd's syndicates to accept up to some £50m in premium income, making the scheme less ambitious than some others currently being considered by a range of US and UK banks and finance houses.

BZW and Sedgwick Lloyd's

Underwriting Agents are working on a scheme to raise at least £100m to form a new investment company, while James Capel and Samuel Montagu are involved in a separate scheme which could raise up to £250m.

Kleinwort Benson is understood to be examining the formation of an investment trust which support syndicates managed by Sturge Holdings, Salomon Brothers, JP Morgan, SG Warburg, Phoenix Securities and Chase Manhattan are among other companies involved in Lloyd's corporate capital initiatives.

Lloyd's hopes to raise at least £500m in corporate capital boosting capacity at the market in 1994 by £1bn.

## GA plays down US asbestosis claims

By Richard Lapper

GENERAL ACCIDENT, the composite insurance company, yesterday insisted that it was fully reserved against asbestosis claims arising from a US court judgment earlier this month.

Fears that GA's exposure to the claims, which arise from underwriting operations in Australia, weakened the company's share price yesterday, leading to a 5p fall on the day to 68p.

The claims concern public liability policies bought by CSR, the Australian building materials and mining group, and were made by US workers injured by asbestos mined and exported by a CSR subsidiary, Midalco, at the Wittenoom asbestos mine in Australia.

The insurance policies in question were written between 1955 and 1978. In the latest stage of a complex and long-running liability suit a Mississippi court ruled against CSR on August 5. CSR was ordered to pay damages of \$2m (£1.3m) to four plaintiffs.

GA said yesterday that the risks were reinsured, that it was fully reserved and that the claims were "irrelevant in the context of GA's current level of business."

GA is also in litigation with CSR on these matters and a result was unlikely to be reached for "several years".

## Guinness Peat shows sharp increase to £6.75m

By David Blackwell

GUINNESS PEAT Group, the UK investment vehicle of New Zealand entrepreneur Sir Ron Brierley which took over Brown Shipley Holdings in March, reported a sharp rise in pre-tax profits for the first half of 1993.

Profits came to £8.75m, compared with £3.15m for the nine month period ended June 1992, when the company changed its year end.

GPG attributed the rise to a good performance from its main asset, Tyndall Australia, the life assurance and fund management company in which it has a 56 per cent stake. In addition the group cited the unwinding of its joint venture with Brierley Investments in Rossington, owner of the majority of Australian Consolidated Investment, which has oil and brewing interests.

Turnover was steady at £13m, in spite of the difference in accounting periods. Interest payable fell to £222,000 (£701,000).

## The acquisition of Brown Shipley has proved 'very complementary to GPG's UK operations'

GPG paid £5.6m for Brown Shipley Holdings, the investment and broking business arm of the UK merchant bank. Yesterday the group said the acquisition had proved "very complementary to GPG's UK operations."

It contributed £280,000 after tax in the last two months

of the latest period. Mr Blake Nixon, GPG director, said the purchase of Brown Shipley was "the sort of thing we expect to do quite regularly in the UK." The group would be looking for companies that would respond to its skills.

Last November GPG regained its stock market listing after a suspension lasting nearly two years. The suspension was imposed because GPG was considered a shell company with no underlying business activity.

Mr Nixon said the suspension had held the company back. "It tied us up in huge amounts of non-productive work. Now we can focus on the basic business."

Earnings per share were 0.86p (0.71p) after payment of minority interests of £1m (£251,000).

The shares closed yesterday at 28½p, up 2p on the day.

## Inclemency corks future for HWC

By Peter Pearce

Hail and blight can now be added to over-expansion, crippling debt and management incompetence on the list of main causes behind the collapse of UK companies.

The Hungerford Wine Company has entered voluntary liquidation, in large part because the harvests of 1991 and 1992 were rendered disastrous by heaven-sent afflictions, according to Mrs Shirley Jackson, provisional liquidator from Begbie Norton, the insolvency practitioner.

She said that HWC's cash-flow had been hit by the lack of product to sell, and this was in spite of no lack of customers in the fine wine market.

HWC specialised in the top sector of the fine wine market and especially in the Bordeaux en primeur trade, selling to private consumers and collectors. It has wine laid down in bonded warehouses for more than 1,600 customers.

Mr Nick Davies, owner and managing director, had explored all potential routes to reconstruction, she said, but none had borne fruit. His main concern now was to ensure that clients could take delivery of their wines, perhaps on payment of a levy for storage and transportation.

Mrs Jackson herself is allergic to wine.

## Holmes recovery hits setback with tumble to \$133,000

By Peter Pearce

HOLMES PROTECTION, the US security group quoted in the UK, suffered a setback to its recovery in the six months to June 30, when pre-tax profits fell from \$1.47m to \$133,000 (\$28,000).

Mr Richard Hickson, chief executive since Mr Eric Kohn resigned in May, said the reorganisation of the group had involved the "clean-up of both its balance sheet and its operations."

The former - it had been necessary to clear the \$73m of debt built up in the acquisitive 1980s and had resulted in the note-holding banks now controlling 53 per cent of Holmes' equity - had been achieved, he

said, though it had taken longer than anticipated. This in turn delayed the progress of the latter, which is now only two-thirds complete.

Mr Hickson said that both he and Mr Kohn had been cautious not to repeat Holmes' old mistakes. Therefore there had been a delay in the intended programme of acquisition of subscriber monitoring contracts. The rate of subscriber cancellations had fallen 75 per cent year-on-year in the first half, and was the lowest since 1985.

Group turnover slipped to \$27m (\$28.3m), of which monitoring and service of alarm systems contributed \$20.6m (\$21.5m). Net operating costs rose to \$13.6m (\$12.4m). Mr

Hickson said that Holmes had been spending "general and administrative" money on its European strategy, with little to show for it. While Holmes Protection in the UK was still operating, activities on the Continent have now been delayed.

Interest costs rose to \$362,000 (\$350,000) as debt rose to \$5m (\$1.5m) at the period-end. Holmes was forced to borrow from its bank when in March it had to cancel a share placing, after an investor, thought to be Faisal Finance (Switzerland), failed to honour its agreement to pay for 1m shares. Legal proceedings continue in Switzerland.

Earnings were 0.1 cents (3.3 cents) per share.

## Investments boost Hibernian to £8.9m

By David Blackwell

HIBERNIAN Group, the Dublin-based insurance and financial services company, reported a 2.3 per cent increase in first-half pre-tax profits from £3.65m to £3.85m (£8.23m).

Increased underwriting losses of £24.4m (£26.35m) were more than offset by a rise in investment income to £17.3m, up from £14.7m.

Mr Cecil Hayes, general manager of finance, described the

result as "very satisfactory," pointing out that in the 1990 and 1991 first halves underwriting losses were £13.5m and £11.1m respectively. Last year's first half had been exceptionally good with no weather-related claims. However the 1993 first half had suffered an increase in the number and cost of claims.

The increase in investment income was attributed to strong cash flows and the high levels of interest in Ireland in

the early part of the year before devaluation, and the rise in the equity and bond markets since.

Life profits were £53,000 (£213,000), reflecting the development costs of an acquisition. General insurance premium income rose 8.7 per cent to £289.6m (£282.4m) and life premium income rose to £49.3m (£21.1m).

Earnings per share increased to 11.3p (11p) and the interim dividend is raised to 2.3p (2.1p).

## EC ruling against Ladbroke in France

By David Gardner in Brussels

LADBROKE, the hotels, racing and property group, has suffered a setback in its long-running attempt to penetrate the French market for betting on horse racing, the second largest in Europe after the UK.

The European Commission has turned down its complaint that Pari Mutuel Urbain, France's monopoly tote operator, was infringing EC competition rules by refusing to supply Tierce Ladbroke, its Belgian subsidiary, with audio-visual images of French horse races.

Tierce Ladbroke is the leading bookmaker in Belgium, where its operations along the French border have indirect

access to France's horse racing.

Ladbroke claimed discrimination and abuse of a dominant position by PMU, because the French monopoly supplies pictures and sound of French races to Deutscher Sportwager Kurt Stof of Cologne for the use of German bookmakers.

The EC has decided that PMU is entitled to choose, market by market, whether or not to provide its services to track betting operators. PMU has chosen not to do so at all within Belgium, the EC said.

"The situation would be different if [it] decided to give licenses to certain bookmakers [in Belgium] while refusing them to others."

## DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Comma- pending dividend	Total for year	Total last year
Aerospac Eng	0.5	Oct 9	0.5	0.75	1
Comptone	2.5	Sept 28	1	-	-
Hibernian	2.5	Sept 30	2.1	-	0.2
WPP	0.55	Nov 30	2.1	-	-

Dividends shown pence per share not except where otherwise stated. £/100 currency.

## BTR awarded £55m aircraft parts contract

BTR has been awarded a £55m contract by Industri Pesawat Terbang Nusantara, Indonesia's state-run aeronautical company, to manufacture parts for the M250 passenger aircraft.

The M250 is a 64-seat turbo-prop regional aircraft which is being built by IPTN at Bandung, Indonesia. The contract is for the supply of the tyres, wheels, brakes and anti-skid equipment for the aircraft.

The wheels and brakes will be supplied by Dunlop Aviation Division - part of the BTR Aerospace Group - in partnership with Aircraft Braking Systems Corporation, a US manufacturer.

Dunlop Aviation Division will team-up with Magneti of Italy in the manufacture of the brake control and anti-skid systems, while Dunlop Aviation Tyres Division - also part of BTR - will supply the nose and main bias tyres for the aircraft.

BTR also announced it was to invest some £10m (£5.7m) in a new £45,000 a ft plant in the US for its Eaton Technologies automotive accessories arm.

## CHARTER CONSOLIDATED P.L.C. RECOMMENDED PROPOSALS FOR THE REALISATION OF MINORCO'S SHAREHOLDING AND THE INTRODUCTION OF A NEW HOLDING COMPANY, CHARTER PIC

Charter Consolidated P.L.C. ("Charter") announces that the Scheme of Arrangement which realises Minorco's shareholding in Charter and establishes Charter pic as a new holding company became effective on 23rd August, 1993. Following in the fully-served Charter pic commenced the morning of 23rd August, 1993 on the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited and the Johannesburg Stock Exchange.

Certificates for Charter shares have ceased to be of any value and certificates for the new ordinary shares in Charter pic will be posted on Tuesday, 31st August, 1993. Holders registered on the South African register will be required to deliver up their existing Charter share certificates prior to the posting to them of certificates for the new ordinary shares issued by Charter pic. Pending the despatch of share certificates, transfers of the new ordinary shares will be certified against the register.

The new shares warrants to bearer ("share warrants") of Charter pic have been allotted to a trustee appointed by Charter pic and are being held for the benefit of the holders of the Charter share warrants. New share warrants will be available for collection from Tuesday, 31st August, 1993 and holders of Charter share warrants will be required to deliver their warrants (together with all remaining coupons, save for coupon numbered 57 which must be retained to collect the final dividend of Charter for the financial year ended 31st March, 1993) to the bearer reception office at Barclays Bank PLC at 168 Fenchurch Street, London EC3P 3HP, or Credit Lyonnais, Centre de Valence, 1014 Chemin de Thon, 28000 Valence, France. Within 10 business days of such date, holders will be able to collect new share warrants representing the number of new ordinary shares to which they are entitled under the Scheme by virtue of the holding of Charter share warrants so delivered.

The final dividend of Charter will be paid on 31st August, 1993.

Charter Consolidated P.L.C.  
24th August, 1993

**CORRECTION NOTICE**  
FLOATING RATE DEPOSITARY RECEIPTS DUE 1997  
issued by The Law Debenture Trust Corporation plc evidencing entitlement to payment of principal and interest on deposits with

**BNFL**  
Banca Nazionale del Lavoro  
(Incorporated as an Italian Bank in the Republic of Italy)

London Branch  
Notice is hereby given that the Rate of Interest for Coupon No. 33 has been fixed at 3.9% p.a. and that the interest payable on the relevant Interest Payment Date, November 18, 1993 in respect of US\$100,000 nominal of the Receipts will be US\$89.44 and in respect of US\$250,000 nominal of the Receipts will be US\$226.11.

August 18, 1993, London  
By: Citibank, N.A. (Issuer Services), Agent Bank **CITIBANK**

**US\$ 70,000,000**  
**CENTRA SECURED INVESTMENTS N.V.**  
Guaranteed Secured Floating Rate Notes due 2000

Interest Rate 3.6375% p.a.  
Interest Period August 23, 1993  
February 22, 1994

Interest Amount due on February 22, 1994 per US\$ 100,000 US\$ 1,848.06

Notion Certificate to Eurozone  
Agent Bank

**REIFER**  
Notice to the holders of EUROPEAN INVESTMENT BANK Floating Rate Notes due 2000

Coupon No 7 due from August 9, 1993 to February 9, 1994 will be payable starting February 9, 1994 at the rate of 3.6375%.

ITL 222.014  
per ITL 50,000,000 Nominal  
ITL 2,220.139  
per ITL 50,000,000 Nominal  
SANPAOLO LARIANO BANK S.A.  
Luxembourg  
Agent Bank

**Wells Fargo & Company**  
US\$250,000,000  
Floating rate subordinated notes due 1997

In accordance with the provisions of the notes, notice is hereby given that for the interest period 24 August 1993 to 24 November 1993 the notes will carry an interest rate of 3.25% per annum. Interest payable on the relevant interest payment date 24 November 1993 will amount to US\$136.17 per US\$100,000 note.

Agent: Morgan Guaranty Trust Company  
**JPMorgan**

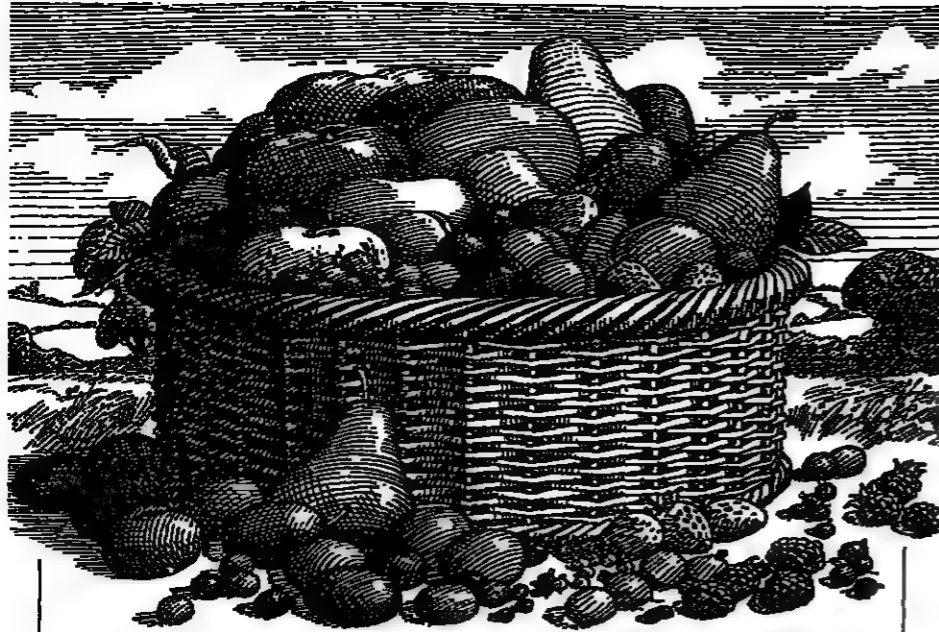
## FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded against four key currencies on Monday, August 23, 1993). In some cases the rate is quoted. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

COUNTRY	£ STG	US \$	D-MARK	YEN (¥ 100)	COUNTRY	£ STG	US \$	D-MARK	YEN (¥ 100)
Algeria (Dinar)	215.25	148.15	83.70	139.24	Germany (DM)	1.78	1.00	1.00	163.63
Angola (Kwanza)	166.75	118.82	65.14	107.47	Ghana (Cedi)	2.27	1.00	1.00	1.00
Argentina (Peso)	166.75	118.82	65.14	107.47	Greece (Drachma)	206.48	1.00	1.00	1.00
Australia (Dollar)	1.61	1.00	0.69	1.00	Hong Kong (Dollar)	1.00	1.00	1.00	1.00
Austria (Schilling)	13.76	1.00	1.37	1.00	India (Rupee)	47.83	1.00	1.00	1.00
Belgium (Franc)	6.55	1.00	3.40	1.00	Indonesia (Rupiah)	1,547.80	1.00	1.00	1.00
Brazil (Cruzado)	200.48	1.00	1.00	1.00	Israel (Sheqel)	3.48	1.00	1.00	1.00
Canada (Dollar)	0.71	1.00	0.71	1.00	Italy (Lira)	2,036.27	1.00	1.00	1.00
Chile (Peso)	800.48	1.00	1.00	1.00	Japan (Yen)	163.63	1.00	1.00	1.00
China (Yuan)	8.27	1.00	1.00	1.00	Korea (Won)	200.48	1.00	1.00	1.00
Colombia (Peso)	200.48	1.00	1.00	1.00	Malaysia (Ringgit)	3.48	1.00	1.00	1.00
Czech Rep. (Koruna)	20.36	1.00	1.00	1.00	Mexico (Peso)	20.36	1.00	1.00	1.00
Denmark (Krone)	6.55	1.00	3.40	1.00	Netherlands (Guilder)	2.27	1.00	1.00	1.00
Egypt (Pound)	2.27	1.00	1.00	1.00	New Zealand (Dollar)	0.69	1.00	1.00	1.00
France (Franc)	6.55	1.00	3.40	1.00	Norway (Krone)	4.78	1.00	1.00	1.00
Germany (DM)	1.78	1.00	1.00	1.00	Poland (Zloty)	4.78	1.00	1.00	1.00
Ghana (Cedi)	2.27	1.00	1.00	1.00	Portugal (Escudo)	200.48	1.00	1.00	1.00
Greece (Drachma)	206.48	1.00	1.00	1.00	Romania (Leu)	20.36	1.00	1.00	1.00
Hong Kong (Dollar)	1.00	1.00	1.00	1.00	Saudi Arabia (Riyal)	2.27	1.00	1.00	1.00
India (Rupee)	47.83	1.00	1.00	1.00	South Africa (Rand)	6.55	1.00	1.00	1.00
Indonesia (Rupiah)	1,547.80	1.00	1.00	1.00	Spain (Peseta)	166.75	1.00	1.00	1.00
Israel (Sheqel)	3.48	1.00	1.00	1.00	Sweden (Krona)	6.55	1.00	1.00	1.00
Italy (Lira)	2,036.27	1.00	1.00	1.00	Switzerland (Franc)	6.55	1.00	1.00	1.00
Japan (Yen)	163.63	1.00	1.00	1.00	Taiwan (Dollar)	0.69	1.00	1.00	1.00
Korea (Won)	200.48	1.00	1.00	1.00	Thailand (Baht)	47.83	1.00	1.00	1.00
Malaysia (Ringgit)	3.48	1.00	1.00	1.00	Turkey (Lira)	20.36	1.00	1.00	1.00
Mexico (Peso)	20.36	1.00	1.00	1.00	UK (Sterling)	1.00	1.00	1.00	1.00
Netherlands (Guilder)	2.27	1.00	1.00	1.00	US (Dollar)	1.00	1.00	1.00	1.00
New Zealand (Dollar)	0.69	1.00	1.00	1.00					
Norway (Krone)	4.78	1.00	1.00	1.00					
Poland (Zloty)	4.78	1.00	1.00	1.00					
Portugal (Escudo)	200.48	1.00	1.00	1.00					
Romania (Leu)	20.36	1.00	1.00	1.00					
Saudi Arabia (Riyal)	2.27	1.00	1.00	1.00					
South Africa (Rand)	6.55	1.00	1.00	1.00					
Spain (Peseta)	166.75	1.00	1.00	1.00					
Sweden (Krona)	6.55	1.00	1.00	1.00					
Switzerland (Franc)	6.55	1.00	1.00	1.00					
Taiwan (Dollar)	0.69	1.00	1.00	1.00					
Thailand (Baht)	47.83	1.00	1.00	1.00					
Turkey (Lira)	20.36	1.00	1.00	1.00					
UK (Sterling)	1.00	1.00	1.00	1.00					
US (Dollar)	1.00	1.00	1.00	1.00					

Source: Reuters, August 23, 1993. United States: \$1.00 = 1.00. United Kingdom: £1.00 = 1.00. Japan: ¥100 = 1.00. Germany: DM 1.00 = 1.00. France: FF 100 = 1.00. Italy: Lira 1,000 = 1.00. Spain: Ptas 166.67 = 1.00. Portugal: Escudos 200 = 1.00. Greece: Drachmas 200 = 1.00. Turkey: Liras 100 = 1.00. India: Rupees 100 = 1.00. Indonesia: Rupiah 1,000 = 1.00. Malaysia: Ringgits 1.00 = 1.00. Singapore: Dollars 1.00 = 1.00. Hong Kong: Dollars 1.00 = 1.00. Australia: Dollars 1.00 = 1.00. New Zealand: Dollars 1.00 = 1.00. Canada: Dollars 1.00 = 1.00. Mexico: Pesos 20.36 = 1.00. Central America: Colons 100 = 1.00. Caribbean: Dollars 1.00 = 1.00. South America: Pesos 100 = 1.00. Africa: Rand 6.55 = 1.00. Middle East: Sheqels 3.48 = 1.00. Asia: Rupees 47.83 = 1.00. Oceania: Dollars 1.00 = 1.00.

Notes: 1. All rates are quoted as of August 23, 1993. 2. All rates are quoted against the US Dollar. 3. All rates are quoted as of 12.00 noon GMT. 4. All rates are quoted as of 12.00 noon GMT. 5. All rates are quoted as of 12.00 noon GMT. 6. All rates are quoted as of 12.00 noon GMT. 7. All rates are quoted as of 12.00 noon GMT. 8. All rates are quoted as of 12.00 noon GMT. 9. All rates are quoted as of 12.00 noon GMT. 10. All rates are quoted as of 12.00 noon GMT. 11. All rates are quoted as of 12.00 noon GMT. 12. All rates are quoted as of 12.00 noon GMT. 13. All rates are quoted as of 12.00 noon GMT. 14. All rates are quoted as of 12.00 noon GMT. 15. All rates are quoted as of 12.00 noon GMT. 16. All rates are quoted as of 12.00 noon GMT. 17. All rates are quoted as of 12.00 noon GMT. 18. All rates are quoted as of 12.00 noon GMT. 19. All rates are quoted as of 12.00 noon GMT. 20. All rates are quoted as of 12.00 noon GMT. 21. All rates are quoted as of 12.00 noon GMT. 22. All rates are quoted as of 12.00 noon GMT. 23. All rates are quoted as of 12.00 noon GMT. 24. All rates are quoted as of 12.00 noon GMT. 25. All rates are quoted as of 12.00 noon GMT. 26. All rates are quoted as of 12.00 noon GMT. 27. All rates are quoted as of 12.00 noon GMT. 28. All rates are quoted as of 12.00 noon GMT. 29. All rates are quoted as of 12.00 noon GMT. 30. All rates are quoted as of 12.00 noon GMT. 31. All rates are quoted as of 12.00 noon GMT. 32. All rates are quoted as of 12.00 noon GMT. 33. All rates are quoted as of 12.00 noon GMT. 34. All rates are quoted as of 12.00 noon GMT. 35. All rates are quoted as of 12.00 noon GMT. 36. All rates are quoted as of 12.00 noon GMT. 37. All rates are quoted as of 12.00 noon GMT. 38. All rates are quoted as of 12.00 noon GMT. 39. All rates are quoted as of 12.00 noon GMT. 40. All rates are quoted as of 12.00 noon GMT. 41. All rates are quoted as of 12.00 noon GMT. 42. All rates are quoted as of 12.00 noon GMT. 43. All rates are quoted as of 12.00 noon GMT. 44. All rates are quoted as of 12.00 noon GMT. 45. All rates are quoted as of 12.00 noon GMT. 46. All rates are quoted as of 12.00 noon GMT. 47. All rates are quoted as of 12.00 noon GMT. 48. All rates are quoted as of 12.00 noon GMT. 49. All rates are quoted as of 12.00 noon GMT. 50. All rates are quoted as of 12.00 noon GMT. 51. All rates are quoted as of 12.00 noon GMT. 52. All rates are quoted as of 12.00 noon GMT. 53. All rates are quoted as of 12.00 noon GMT. 54. All rates are quoted as of 12.00 noon GMT. 55. All rates are quoted as of 12.00 noon GMT. 56. All rates are quoted as of 12.00 noon GMT. 57. All rates are quoted as of 12.00 noon GMT. 58. All rates are quoted as of 12.00 noon GMT. 59. All rates are quoted as of 12.00 noon GMT. 60. All rates are quoted as of 12.00 noon GMT. 61. All rates are quoted as of 12.00 noon GMT. 62. All rates are quoted as of 12.00 noon GMT. 63. All rates are quoted as of 12.00 noon GMT. 64. All rates are quoted as of 12.00 noon GMT. 65. All rates are quoted as of 12.00 noon GMT. 66. All rates are quoted as of 12.00 noon GMT. 67. All rates are quoted as of 12.00 noon GMT. 68. All rates are quoted as of 12.00 noon GMT. 69. All rates are quoted as of 12.00 noon GMT. 70. All rates are quoted as of 12.00 noon GMT. 71. All rates are quoted as of 12.00 noon GMT. 72. All rates are quoted as of 12.00 noon GMT. 73. All rates are quoted as of 12.00 noon GMT. 74. All rates are quoted as of 12.00 noon GMT. 75. All rates are quoted as of 12.00 noon GMT. 76. All rates are quoted as of 12.00 noon GMT. 77. All rates are quoted as of 12.00 noon GMT. 78. All rates are quoted as of 12.00 noon GMT. 79. All rates are quoted as of 12.00 noon GMT. 80. All rates are quoted as of 12.00 noon GMT. 81. All rates are quoted as of 12.00 noon GMT. 82. All rates are quoted as of 12.00 noon GMT. 83. All rates are quoted as of 12.00 noon GMT. 84. All rates are quoted as of 12.00 noon GMT. 85. All rates are quoted as of 12.00 noon GMT



## WE GATHER COMPANY INFORMATION. YOU ENJOY THE FRUITS.

This is the age of information. The trouble is there has never been so much of it about which makes it harder than ever to find key company information that's relevant and to the point.

McCarthy Information is your vital network providing comprehensive information on the companies and industries that interest you. Every day, we harvest and store the information from the world's top 70 business publications. You can access just what you need by company, industry, country or market. Hard copy and online.

Whether you access it on CD ROM, online or from hard copy, you will find it easy

to reap the benefits from McCarthy's comprehensive service. Now the first step today: post the coupon below.

Don't be a don't know...

...contact McCarthy

Complete this coupon and send it to: McCarthy Information, 255, Bow 17, Sandway, Middlesex TW9 1SD. Telephone 0912 781991. Please send me details of McCarthy Information Services.

Name \_\_\_\_\_ Apt 38F

Company \_\_\_\_\_

Address \_\_\_\_\_

Country \_\_\_\_\_

Telephone \_\_\_\_\_

**McCarthy Information Services**

COMPANY INFORMATION TO ACT UP

## HUNGARY

The Financial Times plans to publish this Survey on 12th October, 1993

More Senior European Executives read the Financial Times than any other business newspaper.

If you would like to reach this important audience by advertising in the Survey please call:

**Patricia Surridge**  
in London

Tel: 071 873 3426 Fax: 071 873 3428

## COMPANY NEWS: UK

# Hodgson confirms thirst for Hoskins

By Philip Haweston

MR HOWARD Hodgson, one of the more flamboyant entrepreneurs of the 1980s, yesterday returned to the London stock market as the biggest shareholder and chief executive of Hoskins Brewery, the Leicester-based real ale brewer.

The move, which ends almost a year of friction between the brewer's board and disgruntled shareholders, added 20p to the company's shares when dealing resumed on the USM after a three-month suspension. The shares closed at 76p.

Mr Hodgson said yesterday: "I believe Hoskins represents an excellent opportunity for us to expand the business into a substantial public company with growing profits and earnings."

He heads a new but experienced management team with Mr James Roe, a former director of NM Rothschild, who becomes non-executive chairman; Mr Shaun Dowling, chairman of Hartstone Group and a former director of Guinness; and Mr Bill Caldwell, who retired last year after 22 years as a partner in Price Waterhouse, are appointed non-executive directors.

Coopers & Lybrand have been appointed as the company's financial adviser, and Peel Hunt as its stockbroker.

Mr Hodgson has paid

£303,500, or 55p a share, to acquire a 9.6 per cent stake in Hoskins from the Hoar brothers who have been running the company. Other members of his team have bought a further 3.4 per cent.

Mr Barrie Hoar, the former chairman, and Mr Robert Hoar, a director, together with their families, have also disposed of another 9.5 per cent holding which has been placed with institutions.

The Hoars, who have twice faced shareholder moves to remove them in the past year, received about £715,000 from the deals which value the company at £3.14m. The family retains a 7 per cent interest. Mr Barrie Hoar will remain a non-executive director for the time being but his brother has resigned from the board.

A group of dissident shareholders which had been challenging the Hoar brothers' management of the company yesterday formally withdrew their requisition for an extraordinary meeting.

Mr Hodgson approached the Hoars a week ago after the collapse of Hoskins' negotiations with Switland Estates, a private company run by Mr Adam Page, former chairman of Midsummer Leisure. Switland was proposing to reverse some of its theme bar businesses into Hoskins - which owns four pubs as well as a brewery - in exchange for 41 per cent of

the equity.

"James Roe and I spent several months putting our team together and searching for the right opportunity," Mr Hodgson said.

The new team aims to increase distribution of Hoskins' beers, building present production from 1,300 barrels a year to 5,000, but has no ambitions to become a large-scale pub retailer.

"In view of the narrow base of its business operations, the company's best long-term interests may well be served by developing the business into complementary areas," Mr Hodgson said.

The company plans to embark on a series of acquisitions though Mr Hodgson said no targets had yet been identified.

"Our intention is to look for mature businesses, not start-ups or turnarounds, that are cash generative and in expanding markets. Our small head office - to which we have yet to recruit a finance director - would act as a portfolio manager, overseeing a number of profit centres rather than getting involved in the day-to-day running of the businesses."

Mr Hodgson used similar acquisitive tactics to build his family firm of funeral directors, which he bought for £14,000, into PHKL, the UK's largest quoted funeral services company with a capitalisation



Going down well: Howard Hodgson's move saw Hoskins' shares rise 20p from their suspension price

at one time of £100m.

In the process, he transformed the public image of the undertaker by introducing stretched Volvo limousines in midnight blue and dressing his staff in Portland grey livery. He was named USM Entre-

preneur of the Year in 1987 but resigned as chairman of the company in 1991, selling his shares for an estimated £5.5m.

Last year, he published a book about his experiences, entitled How To Become Dead Rich.

## Cost cutting behind recovery at Aerospace Engineering

AEROSPACE Engineering turned round from a pre-tax loss of £3.16m to profit of £214,000 in the year to April 30, adjusting for the FR5 3 accounting changes.

The final dividend is held at 0.5p. Following the cut at the interim stage, however, that gives a total of 0.75p, against 1p. Earnings per share were 0.75p (losses 3.76p).

Mr John Davis, chairman and chief executive, said the recovery was achieved after absorbing £122,000 (£1.12m) costs relating to disposal of businesses, £51,000 (£742,000) restructuring costs, and

against difficult trading conditions in most of the UK markets.

The aerospace sector, in particular, suffered from weak demand exacerbated by severe competition in an over-supplied market, he pointed out.

Much of the improvement was the result of the programme to reduce costs and gearing and improve efficiency, and also to the divestment of businesses. Group activities were now focused on electronics and aerospace.

Mr Davis said while UK demand for circuit boards remained patchy, overseas

sales were rising steadily. Conditions in the international aerospace markets were still depressed.

The sale of Forward Industries in June had a significant impact on the balance sheet, reducing debt by £2.61m. At the close of the year total debt was £5.33m (£9.21m), supported by shareholders' funds of £11.8m, reducing gearing from 79 per cent to 49 per cent.

Capital expenditure of £750,000 has been authorised for equipping a new microwave circuit board facility and £500,000 in a new "clean room" status printed circuit board.

## Copymore advances to £758,000 midway

COPYMORE, the USM-quoted office equipment company, lifted pre-tax profit from £506,000 to £758,000 for the six months to June 30.

In part to compensate shareholders for the omission of a final dividend last year, the interim is increased from 1p to 2.5p, payable from earnings of 4.5p (5p) per share.

Mr Stephen Matthews, chairman, said turnover rose 15 per cent to £17.2m (£14.9m).

The result reflected the efforts of the sales team and determination to control and centralise fixed costs, as well as integrating new acquisitions, particularly National Technical Services.

As yet there was no real sign of recovery in the office automation market, but he was confident of a satisfactory outcome for the year.

Combined full year service revenues from the acquired Solutions II group and Concorde Copiers were expected to be £14.5m. Gearing had been cut from 134 per cent to 111 per cent. Interest cover improved to 6.8 times.

Mr Matthews is leaving the board at the end of the month to concentrate on other interests.

## The Wharf (Holdings) Limited

(Incorporated in Hong Kong with limited liability)



### INTERIM RESULTS ANNOUNCEMENT FOR THE HALF-YEAR PERIOD ENDED 30TH JUNE 1993

- The unaudited Group profit attributable to Shareholders for the six months ended 30th June, 1993 amounted to HK\$1,381.0 million, representing an improvement of 44% over that achieved in the corresponding period for last year. Earnings per share were 65.2 cents.
- The Board has declared an interim dividend of 19.0 cents per share in respect of the financial year ending 31st December, 1993, representing an increase of 15% over that paid for the previous corresponding period.
- NAV at HK\$25.63 per share showed an increase of 20% from December 1992.
- In Hong Kong, Wharf has over seven million square feet of investment property and is developing a further nine million square feet over the next four years, of which two million square feet are in Singapore.
- Phase II of the redevelopment of 2.5 million square feet of Harbour City, planned to begin in third quarter of 1994, is the redevelopment of three remaining residential blocks into three 33-storey office towers with retail podiums. The redevelopment schedule will be responsive to prevailing market conditions. Phase I, The Gateway, is on schedule with the occupation permit expected in mid-1994.
- Times Square, Parc Oasis, Lane Crawford Place, Wharf Cable Tower have received strong response.
- Wharf's new franchise projects, Cable TV and the Western Harbour Crossing, are secured and moving full steam ahead, delivering to Hong Kong all that the Group has promised. Wharf Cable will launch Hong Kong's first multi-channel subscription television service on 31st October, just five months after the licence was awarded.
- The Group remains enthusiastic of its long-term and deliberate five-point regional strategy in China despite economic uncertainties. It is not unexpected for an emerging economy such as China's to develop in stages, and Wharf's step-by-step approach to selective property and infrastructure investment in China was planned from the onset to endure such times.
- The Group continued to expand its hotel network in North America and gateway cities of Asia Pacific through a combination of direct acquisitions and management contracts.
- Wharf is well funded with successful capital raising of almost HK\$10 billion of long term money. Low net debt to total asset ratio at 10%.

### SUMMARY OF UNAUDITED CONSOLIDATED RESULTS

Six months ended 30th June:	1993 HK\$ Million	1992 HK\$ Million
Turnover	2,533.9	1,965.1
Operating profit	1,364.4	919.2
Share of profits less losses of associated companies	174.6	185.2
Profit before taxation	1,539.0	1,104.4
Taxation	(137.3)	(115.4)
Profit after taxation	1,401.7	989.0
Minority interests	(20.7)	(31.5)
Group profit attributable to Shareholders	1,381.0	957.5
Interim dividend	(411.1)	(346.3)
Transferred to revenue reserve	969.9	611.2
Earnings per share	65.2 cents	45.6 cents
Interim dividend per share	19.0 cents	16.5 cents

U.S. \$250,000,000



**BANK OF BOSTON CORPORATION**  
Subordinated

Floating Rate Notes Due 2001

Issued 10th February 1993

Interest Rate	5% per annum
Interest Period	24th August 1993 24th November 1993
Interest Amount per U.S. \$500,000 Note due 24th November 1993	U.S. \$638.89

Credit Suisse First Boston Limited  
Agent

### Notice to Bondholders

U.S. \$75,000,000

**Fletcher Challenge Financial Services**  
Netherlands B.V.

8 per cent Subordinated Guaranteed  
Convertible Bonds due 1998

NOTICE IS HEREBY GIVEN that in accordance with the Conditions of the Bonds, as set out in Redemption and Purchase Clause (d), the holder of any Bond (a "Bondholder") may exercise such Bondholder's Option to require the issuer to redeem such Bond(s) at par on 22nd November, 1993.

To exercise such option a Bondholder must deposit the relevant Bond(s) during the period commencing on 23rd September, 1993 and ending on 22nd October, 1993 at any of the undermentioned offices of the Paying and Conversion Agents together with all Coupons maturing after 22nd November, 1993 attached and accompanied by a written notice (an "Option Notice") exercising the option, in the form obtainable from any Paying and Conversion Agent.

Principal Paying and Conversion Agent

Bankers Trust Company  
1, Appold Street,  
Brussels,  
London EC2A 2HE

Paying and Conversion Agents  
Bankers Trust Luxembourg S.A.  
14 Boulevard F.D. Roosevelt  
L-2450 Luxembourg

Credit Suisse  
8 Paradeplatz  
8001 Zurich

An Option Notice, once given shall be irrevocable.

Bankers Trust Company, London

24th August, 1993

Agent Bank

### COMMERZBANK OVERSEAS FINANCE N.V.

7.05% Yen 1,300,000,000 Bonds of 1989/1993  
7 % Yen 1,000,000,000 Bonds of 1989/1993  
Redemption as per September 1, 1993

According to § 6 of the Terms and Conditions of the Bonds all Bonds will be redeemed on September 1, 1993. The redemption price is Yen 76,640,999 per nominal Yen 100,000,000 Bond (7.05% Bonds) and Yen 78,188,182 per nominal Yen 100,000,000 Bond (7% Bonds).

The Bonds will be paid at:  
Commerzbank Aktiengesellschaft, Frankfurt/Main  
Commerzbank Aktiengesellschaft, London

The Bonds shall cease to bear interest as per August 31, 1993. The coupon as per September 1, 1993 will be paid separately.  
Curacao, August 1993 Commerzbank Overseas Finance N.V.

U.S. \$400,000,000

**Commonwealth Bank Australia**

Commonwealth Bank of Australia  
A.G.N. 123 123 124

incorporated in Australia with limited liability

Undated Floating Rate Notes  
exchangeable into  
Dated Floating Rate Notes

Interest Rate	3.4975% per annum (LIBOR 3.4375% + 0.06%)
Interest Period	24th February 1993 24th February 1994
Interest Amount due 24th February 1994	per U.S. \$ 10,000 Note - U.S. \$ 178.78 per U.S. \$250,000 Note - U.S. \$4,489.03

Credit Suisse First Boston Limited  
Agent

### MERCURY SELECTED TRUST (SICAV)

14, rue Léon Thyss, L-2636 Luxembourg, R.C. Luxembourg No. 6317

### PAYMENT OF DIVIDEND

Notice is hereby given to shareholders that an interim dividend for the year ended 31st December, 1993 of US\$ 0.20 for the Yen International Equity Fund, US\$ 0.30 for the Yen Global Bond Fund and US\$ 0.20 for the Yen Global Equity Fund has been declared by the Board.

These dividends will be paid on 27th August, 1993 to registered shareholders of the respective Funds who were on the register at 12th August, 1993.

These dividends will be paid from 27th August, 1993 to bearer shareholders of the respective Funds against presentation of coupon No. 13 for the Yen International Equity Fund, coupon No. 15 for the Yen Global Bond Fund and coupon No. 12 for the Yen Global Equity Fund at any of the company's paying agents including its paying agent in the United Kingdom:

**S.G. WARBURG & CO. LTD.**

Paying Agency, 2 Finsbury Avenue, London EC2M 2PA

from whom claim forms can be obtained. United Kingdom tax will be deducted from claims in the United Kingdom at the rate of 25 per cent, unless claims are accompanied by an affidavit.

Interim dividends will not be paid on the remaining Funds.

24th August, 1993 MERCURY SELECTED TRUST (SICAV)

U.S. \$150,000,000

**First Bank System, Inc.**

Floating Rate Subordinated  
Capital Notes Due 1996

Interest Rate	5 1/4% per annum
Interest Period	24th August 1993 24th November 1993
Interest Amount per U.S. \$50,000 Note due 24th November 1993	U.S. \$670.83

Credit Suisse First Boston Limited  
Agent

## Fungus spoils appetite for US wheat

Laurie Morse on a disease that is adding to exporters' problems

## 1993-94

liament, said the local authorities were divided over the issue, and that he believed

Dec	24.18	23.85	24.20
Jan	24.27	23.96	24.27
Mar	24.43	24.12	24.43
May	24.49	24.20	24.50
Jul	24.47	24.25	24.50
Aug	24.46	24.25	24.48

Sep	251.4	251.0	252.0
Dec	243.6	244.0	245.0
<b>WHEAT 5,000 bu mar, cents/60.0-bushel</b>			
	Close	Previous	High-Low

Aug	45,375	45,775	45,700
Oct	45,375	45,775	45,900
Dec	45,450	45,600	45,800
Feb	44,175	44,400	44,500
Apr	49,100	49,250	49,250
Jun	47,900	48,150	0

... ..

# CONTEMPORARY CLASSICS FROM THE FINANCIAL TIMES

**THE FT DESK DIARY WITH OVER 100 PAGES OF METICULOUSLY RESEARCHED INFORMATION PRESENTED IN A CHOICE OF THREE SUPERB FINISHES MUST BE YOUR CHOICE FOR 1994.**

## AN INDISPENSABLE BUSINESS TOOL

The FT Desk Diary is an invaluable aid to good management. Not only does it make day-to-day planning simpler and more efficient, it's also indispensable as a permanent ready-reference source. In fact, it's like having an international business database on hand whenever you need it.

All information has been meticulously researched with everything easy to find and clearly laid out just as you would expect from Europe's leading business newspaper, the Financial Times. After all, our reputation has been founded on interpreting the needs of business people everywhere.

Whether you need important statistical information, business vocabulary in four languages or details of which airlines fly to which city, the FT Desk Diary will tell you. Plan your trip to the smallest detail with the help of the diary's useful information.

## THE CONTENTS THAT MAKE IT MORE THAN A DIARY

**Business Directory.** Contains a Stock Market and financial glossary. Lists the top 100 international banks, computerised databases, world stock markets, and other major international organisations.

**Business Travel.** Has 28 pages of country surveys covering airports, car hire, hotels, visa and currency regulations, business hours and useful addresses. Also, a business vocabulary in four languages, world time differences, maps of the world's major business centres and climatic conditions in 76 international cities.

**Diary Section.** Runs from 25th November 1993-29th January 1994 and shows a week to view, international public holidays, number of days passed and left in the year together with calendar week numbers. Plus four months of the 1994 calendar on each page.

**Statistics and Analysis.** Graphs showing the FT Actuaries British Government All-Stocks Index, FT-SE 100 Index, Dow Jones Industrial Average, the Standard and Poors 500 Composite Index and the Nikkei Average Index.

**World Atlas.** Updated 48-page full colour World Atlas. Detachable Address/Telephone Directory with international dialling codes.

## BOUND TO GET YOU NOTICED



According to your taste and budget, there's a selection of cover bindings to choose from: rich black leather, burgundy bonded leather or black leathercloth.

## THE FT CHAIRMAN'S SET

For those wanting the ultimate in quality and craftsmanship, there's the FT Chairman's Set. Comprising a matching desk and pocket diary, it is bound in rich brown leather with fine gold tooling on the cover and comes complete in its own presentation box.



## THE FT PINK DESK DIARY

Produced in response to the demand for a smaller, more portable FT diary, the FT Pink Desk Diary with its FT-Pink pages is quite unique. Its distinctive size and shape make it equally at home on a desk or in a briefcase. Although compact, it contains a wealth of business information, and its innovative page a day layout allows ample space for each day's notes and business expenses. It is covered in black bonded leather.



## THE FT POCKET DIARY

The FT Pocket Diary has a week to view diary section and contains 34 pages of business and travel information. It has white pages and is available in black leather, burgundy bonded leather and black leathercloth. It comes with a detachable Personal Telephone Directory which tucks inside the back cover of the diary.



## THE FT PINK POCKET DIARY

The FT Pink Pocket Diary with its unique week to view landscape format has the same information as the FT Pocket Diary and is hugely popular. It has FT-pink pages and is covered in black bonded leather. It comes with a detachable Personal Telephone Directory which tucks inside the back cover of the diary.



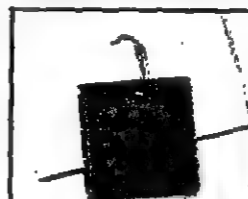
## THE FT SLIMLINE POCKET DIARY

The FT Slimline Pocket Diary slips easily into your pocket. It has a fortnight to view format and is bound in black bonded leather with FT-pink paper and matching ribbon.

The UK information guide, London Underground, city and west end maps, make it ideal for the executive on the move.



## THE FT EURO DIARY



The definitive European Desk Diary leads you through the labyrinth of EC departments, shows how the legislative system works and gives the most comprehensive country guides available anywhere. Key section headings are in five languages. Week to view spread divided into one hour segments. Full colour atlas and a detachable phone directory is

## THE FT NORTH AMERICAN DESK DIARY

The FT desk diary is also available in a North American edition. It contains detailed information on no less than 62 domestic cities and full travel facts to assist you on your journeys. The North American version of the pocket diary, profiles 19 international business centres, perfectly complementing the desk diary shown. Both include personal phone directory and have a week to view format.



## FT COLLECTION - A QUALITY PROPOSITION

What we've shown here is but a small sample of the range in the FT Collection, so why not send for the FT Collection colour catalogue and see for yourself? It is packed with many invaluable business essentials from diaries to document cases. Contact us now on 0483 576144, or write to: FT Collection, 30 Epsom Road, Guildford, Surrey, GU1 3LE.

## HOW CAN YOU ADD EXCLUSIVITY TO AN ALREADY EXCLUSIVE RANGE OF BUSINESS ACCESSORIES?

All items will be doubly welcome if they are personalised with initials and/or surname in high quality, long-lasting, gold blocking. It's the kind of personal touch that enhances the pleasure and worth to the user.

## THE WORLD'S MOST APPRECIATED BUSINESS GIFTS

Our business gift services include:

- Gold blocking of your logo
- Up to eight sides of your own publicity material in the diaries
- Direct despatch of your gifts to the recipients together with your compliment slips or greetings cards
- Samples are available on request.

We will even reserve your choice of FT Collection gifts if you are unable to finalise your gift list early in the year and you will not be invoiced until your goods are despatched.

## LARGE ORDER DISCOUNTS

Furthermore - order 25 items or more from the FT Collection and you will qualify for discounts of up to 25%.

## SPECIAL INSTRUCTIONS FOR BUSINESS GIFT BUYERS

Contact Kate Thompson now on 0483 576144 for more details on our business gift services or write to: FT Collection, 30 Epsom Road, Guildford, Surrey, GU1 3LE.



FT Business Enterprises Ltd, Registered Office, Number One Southwark Bridge, London SE1 9HL. Registered No. 980896

## ORDER FORM

Please tick where applicable.

☐ Please send me the FT Collection Catalogue and Order Form.

☐ I am interested in using the FT Collection as business gifts, please send me details.

☐ I wish to place a firm order as detailed below.

REF: 301041

Name (Mr/Ms/Ms/Ms) (PLEASE PRINT)

Position

Company

Address

Postcode

Telephone

**FOR YOUR FREE FT COLLECTION COLOUR CATALOGUE RING 0483 576144 NOW!**

Please return to:  
FT Collection,  
Customer Services Department,  
P.O. Box 6, Camborne, Cornwall,  
TR14 9EQ.  
Fax: 0209 612830.

How to complete your order.

1. Indicate the quantity and diaries you require.  
2. Indicate how many items you wish to have gold blocked with your initials and/or surname. Please give details separately.

PRODUCT	CODE	UK (incl. VAT)	EC (incl. VAT)	REST OF WORLD	QTY	SUB TOTAL
1994 DIARIES						
Chairman's Set	CS	£148.78	£157.27	£140.56		
Desk Diary, Black Leather	DL	£ 70.80	£ 82.37	£ 74.63		
Desk Diary, Burgundy Bonded Leather	DB	£ 48.58	£ 54.13	£ 50.80		
Desk Diary, Black Leathercloth	DC	£ 28.02	£ 32.66	£ 32.08		
FT Pink Desk Diary	DP	£ 32.91	£ 38.97	£ 34.63		
Pocket Diary, Black Leather	PL	£ 15.08	£ 16.35	£ 13.37		
Pocket Diary, Burgundy Bonded Leather	PB	£ 13.92	£ 14.18	£ 12.38		
Pocket Diary, Black Leathercloth	PC	£ 12.57	£ 12.89	£ 11.29		
FT Pink Pocket Diary	PP	£ 14.57	£ 15.16	£ 13.37		
Slimline Pocket Diary	SP	£ 12.63	£ 12.95	£ 11.34		
Euro Diary, Black Leather	EDL	£ 46.00	£ 49.68	£ 45.50		
Euro Diary, Blue Leather	EDBL	£ 46.00	£ 49.68	£ 45.50		
North American, Desk Diary	USD	£ 40.00	£ 45.57	£ 43.51		
North American, Pocket Diary	USDP	£ 14.82	£ 14.88	£ 12.87		
PERSONALISATION						
Initials (max. 4)	I	£ 2.50	£ 2.50	£ 2.20		
Name (max. 20 characters)	N	£ 4.84	£ 4.84	£ 3.95		
					TOTAL	

All prices shown are inclusive of postage and packing and VAT where applicable. VAT is now chargeable on all orders from the EC. If you are ordering for business purposes outside the UK and are registered for VAT, please quote your VAT number. My VAT number is:

\*The Chairman's Set consists of two items, therefore the personalisation charge is double. The information you provide will be held by us and may be used to keep you informed of other FT products and may be used by other selected quality companies for marketing purposes.

## HOW TO PAY.

**BY PHONE.** You can pay by credit card by placing your order on our Credit Card Order Line 0209 612820. If you wish to pay by Credit Card you can fax this order to us on our Credit Card Fax Order Line 0209 612830.

**BY FAX.** Return this order form with your payment to the address given above.

**BY MAIL.** Payment must accompany your order and cheques should be drawn on a UK bank account made payable to "FT Business Enterprises Ltd".

Tick method of payment.

Cheque ☐ Money Order ☐ ☐ ☐ ☐ ☐ ☐

Card No.

Expiry Date:

(Please complete as your order may be returned if expiry date is not shown.)

**For further information on business gift orders, please ring 0483 576144.**

FT Business Enterprises Ltd, Registered Office, Number One Southwark Bridge, London SE1 9HL. Registered No. 980896.

## CREDIT CARD ORDER LINE

Telephone orders for less than 25 items:

**0209 612820**

Despatch No.

Date received.

Cardholder's Name (Block Capitals):

Cardholder's Signature:

## AMERICANS

**BUILDING MATERIALS - Cont.**

## ELECTRICALS

**ENGINEERING-GENERAL • Cont.**

#### **HOTELS & LEISURE - Cont.**

INVESTMENT TRUSTS - Cont

## CANADIANS

Rolla & Nolan	223	283
Schuman	383	388

International Power, Inc.	357
International Paper Corp.	672

Aspic Fisheries	146	147	117
Avonmore EE	188	187	103

10

Wellcome	101	101
Graham House	79	78
Overdale	36	37

## BANKS

Camargo 800	27	1	125
Canning (W)	27	1	125

mp People	2/7
mp Tech	2/7

Nichols (Vanderbilt)	543rd	200	443
Northern	277	+5	282

Station	Time	+ or -	Time
1	10:00	+	10:00
2	10:05	+	10:05
3	10:10	+	10:10
4	10:15	+	10:15
5	10:20	+	10:20
6	10:25	+	10:25
7	10:30	+	10:30
8	10:35	+	10:35
9	10:40	+	10:40
10	10:45	+	10:45
11	10:50	+	10:50
12	10:55	+	10:55
13	11:00	+	11:00
14	11:05	+	11:05
15	11:10	+	11:10
16	11:15	+	11:15
17	11:20	+	11:20
18	11:25	+	11:25
19	11:30	+	11:30
20	11:35	+	11:35
21	11:40	+	11:40
22	11:45	+	11:45
23	11:50	+	11:50
24	11:55	+	11:55
25	12:00	+	12:00
26	12:05	+	12:05
27	12:10	+	12:10
28	12:15	+	12:15
29	12:20	+	12:20
30	12:25	+	12:25
31	12:30	+	12:30
32	12:35	+	12:35
33	12:40	+	12:40
34	12:45	+	12:45
35	12:50	+	12:50
36	12:55	+	12:55
37	13:00	+	13:00
38	13:05	+	13:05
39	13:10	+	13:10
40	13:15	+	13:15
41	13:20	+	13:20
42	13:25	+	13:25
43	13:30	+	13:30
44	13:35	+	13:35
45	13:40	+	13:40
46	13:45	+	13:45
47	13:50	+	13:50
48	13:55	+	13:55
49	14:00	+	14:00
50	14:05	+	14:05
51	14:10	+	14:10
52	14:15	+	14:15
53	14:20	+	14:20
54	14:25	+	14:25
55	14:30	+	14:30
56	14:35	+	14:35
57	14:40	+	14:40
58	14:45	+	14:45
59	14:50	+	14:50
60	14:55	+	14:55
61	15:00	+	15:00
62	15:05	+	15:05
63	15:10	+	15:10
64	15:15	+	15:15
65	15:20	+	15:20
66	15:25	+	15:25
67	15:30	+	15:30
68	15:35	+	15:35
69	15:40	+	15:40
70	15:45	+	15:45
71	15:50	+	15:50
72	15:55	+	15:55
73	16:00	+	16:00
74	16:05	+	16:05
75	16:10	+	16:10
76	16:15	+	16:15
77	16:20	+	16:20
78	16:25	+	16:25
79	16:30	+	16:30
80	16:35	+	16:35
81	16:40	+	16:40
82	16:45	+	16:45
83	16:50	+	16:50
84	16:55	+	16:55
85	17:00	+	17:00
86	17:05	+	17:05
87	17:10	+	17:10
88	17:15	+	17:15
89	17:20	+	17:20
90	17:25	+	17:25
91	17:30	+	17:30
92	17:35	+	17:35
93	17:40	+	17:40
94	17:45	+	17:45
95			

Jon Higgs Capital	100	100
Income	100	100

BREWERS & I

tabulador -Bartel DML	E207	-34	E207	E210
tabulador	11	---	743	

mark (L) 61  
number 60

54 pct CV M	200	+2	201	213
Kardin & P <sup>th</sup> <input checked="" type="checkbox"/> M	205	→	209	172

lithomode inc	400-241-0041	230	Magnum	230
 world wide lithomode		230	Magnum	230

Package Units ☐ PD

Fig. 2. The effect of the concentration of the reagent on the rate of the reaction.

Marriott Devs	100	-7	107
Liberman	4022		4022

Model	Price
-------	-------

Isotron	240	250	235
Joyce	236	+1	200

4400c RPI-LAM	1137 1/2	1137 1/2
by Inc	150	105
	200	200

Model	Model	Model
Model 1	Model 2	Model 3
Model 4	Model 5	Model 6
Model 7	Model 8	Model 9
Model 10	Model 11	Model 12
Model 13	Model 14	Model 15
Model 16	Model 17	Model 18
Model 19	Model 20	Model 21
Model 22	Model 23	Model 24
Model 25	Model 26	Model 27
Model 28	Model 29	Model 30
Model 31	Model 32	Model 33
Model 34	Model 35	Model 36
Model 37	Model 38	Model 39
Model 40	Model 41	Model 42
Model 43	Model 44	Model 45
Model 46	Model 47	Model 48
Model 49	Model 50	Model 51
Model 52	Model 53	Model 54
Model 55	Model 56	Model 57
Model 58	Model 59	Model 60
Model 61	Model 62	Model 63
Model 64	Model 65	Model 66
Model 67	Model 68	Model 69
Model 70	Model 71	Model 72
Model 73	Model 74	Model 75
Model 76	Model 77	Model 78
Model 79	Model 80	Model 81
Model 82	Model 83	Model 84
Model 85	Model 86	Model 87
Model 88	Model 89	Model 90
Model 91	Model 92	Model 93
Model 94	Model 95	Model 96
Model 97	Model 98	Model 99
Model 100	Model 101	Model 102
Model 103	Model 104	Model 105
Model 106	Model 107	Model 108
Model 109	Model 110	Model 111
Model 112	Model 113	Model 114
Model 115	Model 116	Model 117
Model 118	Model 119	Model 120
Model 121	Model 122	Model 123
Model 124	Model 125	Model 126
Model 127	Model 128	Model 129
Model 130	Model 131	Model 132
Model 133	Model 134	Model 135
Model 136	Model 137	Model 138
Model 139	Model 140	Model 141
Model 142	Model 143	Model 144
Model 145	Model 146	Model 147
Model 148	Model 149	Model 150
Model 151	Model 152	Model 153
Model 154	Model 155	Model 156
Model 157	Model 158	Model 159
Model 160	Model 161	Model 162
Model 163	Model 164	Model 165
Model 166	Model 167	Model 168
Model 169	Model 170	Model 171
Model 172	Model 173	Model 174
Model 175	Model 176	Model 177
Model 178	Model 179	Model 180
Model 181	Model 182	Model 183
Model 184	Model 185	Model 186
Model 187	Model 188	Model 189
Model 190	Model 191	Model 192
Model 193	Model 194	Model 195
Model 196	Model 197	Model 198
Model 199	Model 200	Model 201
Model 202	Model 203	Model 204
Model 205	Model 206	Model 207
Model 208	Model 209	Model 210
Model 211	Model 212	Model 213
Model 214	Model 215	Model 216
Model 217	Model 218	Model 219
Model 220	Model 221	Model 222
Model 223	Model 224	Model 225
Model 226	Model 227	Model 228
Model 229	Model 230	Model 231
Model 232	Model 233	Model 234
Model 235	Model 236	Model 237
Model 238	Model 239	Model 240
Model 241	Model 242	Model 243
Model 244	Model 245	Model 246
Model 247	Model 248	Model 249
Model 250	Model 251	Model 252
Model 253	Model 254	Model 255
Model 256	Model 257	Model 258
Model 259	Model 260	Model 261
Model 262	Model 263	Model 264
Model 265	Model 266	Model 267
Model 268	Model 269	Model 270
Model 271	Model 272	Model 273
Model 274	Model 275	Model 276
Model 277	Model 278	Model 279
Model 280	Model 281	Model 282
Model 283	Model 284	Model 285
Model 286	Model 287	Model 288
Model 289	Model 290	Model 291
Model 292	Model 293	Model 294
Model 295	Model 296	Model 297
Model 298	Model 299	Model 300
Model 301	Model 302	Model 303
Model 304	Model 305	Model 306
Model 307	Model 308	Model 309
Model 310	Model 311	Model 312

[illegible]

هكذا مضى الامر

**LONDON SHARE SERVICE****INDEX - C**[illegible]

**Abstract**

[illegible]

Estimated value from

Notes		Prior	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	601	600	599	598	597	596	595	594	593	592	591	590	589	588	587	586	585	584	583	582	581	580	579	578	577	576	575	574	573	5
-------	--	-------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	---

Interim clinic for  
interim clinic for

		1987		1986		1985		1984		1983		1982		1981		1980		1979		1978		1977		1976		1975		1974		1973		1972		1971		1970		1969		1968		1967		1966		1965		1964		1963		1962		1961		1960		1959		1958		1957		1956		1955		1954		1953		1952		1951		1950		1949		1948		1947		1946		1945		1944		1943		1942		1941		1940		1939		1938		1937		1936		1935		1934		1933		1932		1931		1930		1929		1928		1927		1926		1925		1924		1923		1922		1921		1920		1919		1918		1917		1916		1915		1914		1913		1912		1911		1910		1909		1908		1907		1906		1905		1904		1903		1902		1901		1900		1899		1898		1897		1896		1895		1894		1893		1892		1891		1890		1889		1888		1887		1886		1885		1884		1883		1882		1881		1880		1879		1878		1877		1876		1875		1874		1873		1872		1871		1870		1869		1868		1867		1866		1865		1864		1863		1862		1861		1860		1859		1858		1857		1856		1855		1854		1853		1852		1851		1850		1849		1848		1847		1846		1845		1844		1843		1842		1841		1840		1839		1838		1837		1836		1835		1834		1833		1832		1831		1830		1829		1828		1827		1826		1825		1824		1823		1822		1821		1820		1819		1818		1817		1816		1815		1814		1813		1812		1811		1810		1809		1808		1807		1806		1805		1804		1803		1802		1801		1800		1799		1798		1797		1796		1795		1794		1793		1792		1791		1790		1789		1788		1787		1786		1785		1784		1783		1782		1781		1780		1779		1778		1777		1776		1775		1774		1773		1772		1771		1770		1769		1768		1767		1766		1765		1764		1763		1762		1761		1760		1759		1758		1757		1756		1755		1754		1753		1752		1751		1750		1749		1748		1747		1746		1745		1744		1743		1742		1741		1740		1739		1738		1737		1736		1735		1734		1733		1732		1731		1730		1729		1728		1727		1726		1725		1724		1723		1722		1721		1720		1719		1718		1717		1716		1715		1714		1713		1712		1711		1710		1709		1708		1707		1706		1705		1704		1703		1702		1701		1700		1699		1698		1697		1696		1695		1694		1693		1692		1691		1690		1689		1688		1687		1686		1685		1684		1683		1682		1681		1680		1679		1678		1677		1676		1675		1674		1673		1672		1671		1670		1669		1668		1667		1666		1665		1664		1663		1662		1661		1660		1659		1658		1657		1656		1655		1654		1653		1652		1651		1650		1649		1648		1647		1646		1645		1644		1643		1642		1641		1640		1639		1638		1637		1636		1635		1634		1633		1632		1631		1630		1629		1628		1627		1626		1625		1624		1623		1622		1621		1620		1619		1618		1617		1616		1615		1614		1613		1612		1611		1610		1609		1608		1607		1606		1605		1604		1603		1602		1601		1600		1599		1598		1597		1596		1595		1594		1593		1592		1591		1590		1589		1588		1587		1586		1585		1584		1583		1582		1581		1580		1579		1578		1577		1576		1575		1574		1573		1572		1571		1570		1569		1568		1567		1566		1565		1564		1563		1562		1561		1560		1559		1558		1557		1556		1555		1554		1553		1552		1551		1550		1549		1548		1547		1546		1545		1544		1543		1542		1541		1540		1539		1538		1537		1536		1535		1534		1533		1532		1531		1530		1529		1528		1527		1526		1525		1524		1523		1522		1521		1520		1519		1518		1517		1516		1515		1514		1513		1512		1511		1510		1509		1508		1507		1506		1505		1504		1503		1502		1501		1500		1499		1498		1497		1496		1495		1494		1493		1492		1491		1490		1489		1488		1487		1486		1485		1484		1483		1482		1481		1480		1479		1478		1477		1476		1475		1474		1473		1472		1471		1470		1469		1468		1467		1466		1465		1464		1463		1462		1461		1460		1459		1458		1457		1456		1455		1454		1453		1452		1451		1450		1449		1448		1447		1446		1445		1444		1443		1442		1441		1440		1439		1438		1437		1436		1435		1434		1433		1432		1431		1430		1429		1428		1427		1426		1425		1424		1423		1422		1421		1420		1419		1418		1417		1416		1415		1414		1413		1412		1411		1410		1409		1408		1407		1406		1405		1404		1403		1402		1401		1400		1399		1398		1397		1396		1395		1394		1393		1392		1391		1390		1389		1388		1387		1386		1385		1384		1383		1382		1381		1380		1379		1378		1377		1376		1375		1374		1373		1372		1371		1370		1369		1368		1367		1366		1365		1364		1363		1362		1361		1360		1359		1358		1357		1356		1355		1354		1353		1352		1351		1350		1349		1348		1347		1346		1345		1344		1343		1342		1341		1340		1339		1338		1337		1336		1335		1334		1333		1332		1331		1330		1329		1328		1327		1326		1325		1324		1323		1322		1321		1320		1319		1318		1317		1316		1315		1314		1313		1312		1311		1310		1309		1308		1307		1306		1305		1304		1303		1302		1301		1300		1299		1298		1297		1296		1295		1294		1293		1292		1291		1290		1289		1288		1287		1286		1285		1284		1283		1282		1281		1280		1279		1278		1277		1276		1275		1274		1273		1272		1271		1270		1269		1268		1267		1266		1265		1264		1263		1262		1261		1260		1259		1258		1257		1256		1255		1254		1253		1252		1251		1250		1249		1248		1247		1246		1245		1244		1243		1242		1241		1240		1239		1238		1237		1236		1235		1234		1233		1232		1231		1230		1229		1228		1227		1226		1225		1224		1223		1222		1221		1220		1219		1218		1217		1216		1215		1214		1213		1212		1211		1210		1209		1208		1207		1206		1205		1204		1203		1202		1201		1200		1199		1198		1197		1196		1195		1194		1193		1192		1191		1190		1189		1188		1187		1186		1185		1184		1183		1182		1181		1180		1179		1178		1177		1176		1175		1174		1173		1172		1171		1170		1169		1168		1167		1166		1165		1164		1163		1162		1161		1160		1159		1158		1157		1156		1155		1154		1153		1152		1151		1150		1149		1148		1147		1146		1145		1144		1143		1142		1141		1140		1139		1138		1137		1136		1135		1134		1133		1132		1131		1130		1129		1128		1127		1126		1125		1124		1123		1122		1121		1120		1119		1118		1117		1116		1115		1114		1113		1112		1111		1110		1109		1108		1107		1106		1105		1104		1103		1102		1101		1100		1099		1098		1097		1096		1095		1094		1093		1092		1091		1090		1089		1088		1087		1086		1085		1084		1083		1082		1081		1080		1079		1078		1077		1076		1075		1074		1073		1072		1071		1070		1069		1068		1067		1066		1065		1064		1063		1062		1061		1060		1059		1058		1057		1056		1055		1054		1053		1052		1051		1050		1049		1048		1047		1046		1045		1044		1043		1042		1041		1040		1039		1038		1037		1036		1035		1034		1033		1032		1031		1030		1029		1028		1027		1026		1025		1024		1023		1022		1021		1020		1019		1018		1017		1016		1015		1014		1013		1012		1011		1010		1009		1008		1007		1006		1005		1004		1003		1002		1001		1000		999		998		997		996		995		994		993		992		991		990		989		988		987		986		985		984		983		982		981		980		979		978		977		976		975		974		973		972		971		970		969		968		967		966		965		964		963		962		961		960		959		958		957		956		955		954		953	
--	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	------	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--	-----	--

**A Year's Salary on  
Annualized Dividend  
Is Almost Twice as  
High as Dividend**

[illegible]

## † Indicated dividend yield, p/e ratio based

[illegible]Only Company  
7181 (open 2-

137	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000
137	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823																																																																																																																																																																																	

**An international  
outside the UK**

[illegible]

هكذا من الاعمال

## AUTHORISED UNIT TRUSTS

Run	Case	Run	Case
1	1	1	1
2	2	2	2
3	3	3	3
4	4	4	4
5	5	5	5
6	6	6	6
7	7	7	7
8	8	8	8
9	9	9	9
10	10	10	10
11	11	11	11
12	12	12	12
13	13	13	13
14	14	14	14
15	15	15	15
16	16	16	16
17	17	17	17
18	18	18	18
19	19	19	19
20	20	20	20
21	21	21	21
22	22	22	22
23	23	23	23
24	24	24	24
25	25	25	25
26	26	26	26
27	27	27	27
28	28	28	28
29	29	29	29
30	30	30	30
31	31	31	31
32	32	32	32
33	33	33	33
34	34	34	34
35	35	35	35
36	36	36	36
37	37	37	37
38	38	38	38
39	39	39	39
40	40	40	40
41	41	41	41
42	42	42	42
43	43	43	43
44	44	44	44
45	45	45	45
46	46	46	46
47	47	47	47
48	48	48	48
49	49	49	49
50	50	50	50
51	51	51	51
52	52	52	52
53	53	53	53
54	54	54	54
55	55	55	55
56	56	56	56
57	57	57	57
58	58	58	58
59	59	59	59
60	60	60	60
61	61	61	61
62	62	62	62
63	63	63	63
64	64	64	64
65	65	65	65
66	66	66	66
67	67	67	67
68	68	68	68
69	69	69	69
70	70	70	70
71	71	71	71
72	72	72	72
73	73	73	73
74	74	74	74
75	75	75	75
76	76	76	76
77	77	77	77
78	78	78	78
79	79	79	79
80	80	80	80
81	81	81	81
82	82	82	82
83	83	83	83
84	84	84	84
85	85	85	85
86	86	86	86
87	87	87	87
88	88	88	88
89	89	89	89
90	90	90	90
91	91	91	91
92	92	92	92
93	93	93	93
94	94	94	94
95	95	95	95
96	96	96	96
97	97	97	97
98	98	98	98
99	99	99	99
100	100	100	100

[illegible]

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (971) 873-4378 for more details.

هكذا من الاصل

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details

[illegible]

20

### MANAGED FUNDS NOTES

Private, for-profit entities otherwise regulated and those designated as not-for-profit under U.S. tax laws, whether or not they are publicly traded, are subject to the same SEC disclosure requirements as public companies. The following table lists the 10 largest managed funds by assets. In calculating the size of the fund, we include domestic, foreign, and U.S. government investments as denominated in U.S. dollars. Information on the fund's investment objectives, risks, charges, expenses, and other important information is contained in the fund's prospectus. For more information, contact the fund's investment manager.

Fund Name	Assets (\$ Billions)
Wellington Management Fund	10.1
Investment Company of America	9.1
Investment Company of New York	8.5
Investment Company of Wisconsin	7.8
Investment Company of Massachusetts	7.5
Investment Company of Connecticut	7.4
Investment Company of California	7.3
Investment Company of Florida	7.2
Investment Company of Illinois	7.1
Investment Company of Michigan	7.0



## 31

CANADA

Index	Stock	High	Low	Close	Change	Index	Stock	High	Low	Close	Change
<b>TORONTO</b>											
4 p.m. close August 23											
Outstanding in cents unless marked 25											
3432	ABNAI P	512 <sup>1</sup> / <sub>2</sub>	512 <sup>1</sup> / <sub>2</sub>	512 <sup>1</sup> / <sub>2</sub>	+3 <sup>1</sup> / <sub>2</sub>	86250	Exco Ind M	515 <sup>1</sup> / <sub>2</sub>	515 <sup>1</sup> / <sub>2</sub>	515 <sup>1</sup> / <sub>2</sub>	+4
113470	Alcan S	65 <sup>1</sup> / <sub>2</sub>	65 <sup>1</sup> / <sub>2</sub>	65 <sup>1</sup> / <sub>2</sub>	+1 <sup>1</sup> / <sub>2</sub>	1500	Exco Ind M	515 <sup>1</sup> / <sub>2</sub>	515 <sup>1</sup> / <sub>2</sub>	515 <sup>1</sup> / <sub>2</sub>	+4
32015	Al Can	46 <sup>1</sup> / <sub>2</sub>	46 <sup>1</sup> / <sub>2</sub>	46 <sup>1</sup> / <sub>2</sub>	+1 <sup>1</sup> / <sub>2</sub>	1000	Exco Ind M	515 <sup>1</sup> / <sub>2</sub>	515 <sup>1</sup> / <sub>2</sub>	515 <sup>1</sup> / <sub>2</sub>	+4
6820	Alto Ind	321 <sup>1</sup> / <sub>2</sub>	321 <sup>1</sup> / <sub>2</sub>	321 <sup>1</sup> / <sub>2</sub>	+1 <sup>1</sup> / <sub>2</sub>	15559	Exco Ind M	515 <sup>1</sup> / <sub>2</sub>	515 <sup>1</sup> / <sub>2</sub>	515 <sup>1</sup> / <sub>2</sub>	+4
2000	Alto Ind	31 <sup>1</sup> / <sub>2</sub>	31 <sup>1</sup> / <sub>2</sub>	31 <sup>1</sup> / <sub>2</sub>	+1 <sup>1</sup> / <sub>2</sub>	1000	Exco Ind M	515 <sup>1</sup> / <sub>2</sub>	515 <sup>1</sup> / <sub>2</sub>	515 <sup>1</sup> / <sub>2</sub>	+4
14235	Alto Al	32 <sup>1</sup> / <sub>2</sub>	32 <sup>1</sup> / <sub>2</sub>	32 <sup>1</sup> / <sub>2</sub>	+1 <sup>1</sup> / <sub>2</sub>	400	FFI Ltd	375	375	375	+2
334701	Alto Ind	324 <sup>1</sup> / <sub>2</sub>	324 <sup>1</sup> / <sub>2</sub>	324 <sup>1</sup> / <sub>2</sub>	+1 <sup>1</sup> / <sub>2</sub>	500	Falconbridge	94 <sup>1</sup> / <sub>2</sub>	94 <sup>1</sup> / <sub>2</sub>	94 <sup>1</sup> / <sub>2</sub>	+1
14500	Alto Al	314 <sup>1</sup> / <sub>2</sub>	314 <sup>1</sup> / <sub>2</sub>	314 <sup>1</sup> / <sub>2</sub>	+1 <sup>1</sup> / <sub>2</sub>	2554	Finney	518	518	518	+1
32015	Alto Ind	321 <sup>1</sup> / <sub>2</sub>	321 <sup>1</sup> / <sub>2</sub>	321 <sup>1</sup> / <sub>2</sub>	+1 <sup>1</sup> / <sub>2</sub>	41353	Fin Mura	515	515	515	+1
113470	Alto Ind	65 <sup>1</sup> / <sub>2</sub>	65 <sup>1</sup> / <sub>2</sub>	65 <sup>1</sup> / <sub>2</sub>	+1 <sup>1</sup> / <sub>2</sub>	1000	Finney	518	518	518	+1
32015	Alto Ind	321 <sup>1</sup> / <sub>2</sub>	321 <sup>1</sup> / <sub>2</sub>	321 <sup>1</sup> / <sub>2</sub>	+1 <sup>1</sup> / <sub>2</sub>	1785	Finney	518	518	518	+1
101415	Alto Ind	344 <sup>1</sup> / <sub>2</sub>	344 <sup>1</sup> / <sub>2</sub>	344 <sup>1</sup> / <sub>2</sub>	+1 <sup>1</sup> / <sub>2</sub>	1000	Finney	518	518	518	+1
15000	Alto Ind	34 <sup>1</sup> / <sub>2</sub>	34 <sup>1</sup> / <sub>2</sub>	34 <sup>1</sup> / <sub>2</sub>	+1 <sup>1</sup> / <sub>2</sub>	1000	Finney	518	518	518	+1
3070	Alto Ind	12 <sup>1</sup> / <sub>2</sub>	12 <sup>1</sup> / <sub>2</sub>	12 <sup>1</sup> / <sub>2</sub>	+1 <sup>1</sup> / <sub>2</sub>	1000	Finney	518	518	518	+1
295325	Alto Ind	13 <sup>1</sup> / <sub>2</sub>	13 <sup>1</sup> / <sub>2</sub>	13 <sup>1</sup> / <sub>2</sub>	+1 <sup>1</sup> / <sub>2</sub>	1000	Finney	518	518	518	+1
10000	Alto Ind	13 <sup>1</sup> / <sub>2</sub>	13 <sup>1</sup> / <sub>2</sub>	13 <sup>1</sup> / <sub>2</sub>	+1 <sup>1</sup> / <sub>2</sub>	1000	Finney	518	518	518	+1
482527	Alto Ind	18 <sup>1</sup> / <sub>2</sub>	18 <sup>1</sup> / <sub>2</sub>	18 <sup>1</sup> / <sub>2</sub>	+1 <sup>1</sup> / <sub>2</sub>	1000	Finney	518	518	518	+1
14235	Alto Ind	314 <sup>1</sup> / <sub>2</sub>	314 <sup>1</sup> / <sub>2</sub>	314 <sup>1</sup> / <sub>2</sub>	+1 <sup>1</sup> / <sub>2</sub>	1000	Finney	518	518	518	+1
442030	Alto Ind	107 <sup>1</sup> / <sub>2</sub>	107 <sup>1</sup> / <sub>2</sub>	107 <sup>1</sup> / <sub>2</sub>	+1 <sup>1</sup> / <sub>2</sub>	1000	Finney	518	518	518	+1
7414	Alto Ind	21 <sup>1</sup> / <sub>2</sub>	21 <sup>1</sup> / <sub>2</sub>	21 <sup>1</sup> / <sub>2</sub>	+1 <sup>1</sup> / <sub>2</sub>	1000	Finney	518	518	518	+1
2000	Alto Ind	81 <sup>1</sup> / <sub>2</sub>	81 <sup>1</sup> / <sub>2</sub>	81 <sup>1</sup> / <sub>2</sub>	+1 <sup>1</sup> / <sub>2</sub>	1000	Finney	518	518	518	+1
97100	Alto Ind	35 <sup>1</sup> / <sub>2</sub>	35 <sup>1</sup> / <sub>2</sub>	35 <sup>1</sup> / <sub>2</sub>	+1 <sup>1</sup> / <sub>2</sub>	1000	Finney	518	518	518	+1
22801	Alto Ind	17 <sup>1</sup> / <sub>2</sub>	17 <sup>1</sup> / <sub>2</sub>	17 <sup>1</sup> / <sub>2</sub>	+1 <sup>1</sup> / <sub>2</sub>	1000	Finney	518	518	518	+1
114371	Alto Ind	14 <sup>1</sup> / <sub>2</sub>	14 <sup>1</sup> / <sub>2</sub>	14 <sup>1</sup> / <sub>2</sub>	+1 <sup>1</sup> / <sub>2</sub>	1000	Finney	518	518	518	+1
27801	Alto Ind	182 <sup>1</sup> / <sub>2</sub>	182 <sup>1</sup> / <sub>2</sub>	182 <sup>1</sup> / <sub>2</sub>	+1 <sup>1</sup> / <sub>2</sub>	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1	1000	Finney	518	518	518	+1
39340	Chall Res	115	115	115	+1						

[illegible]

4 pm close August 23

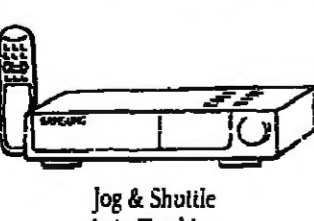
## NEW YORK STOCK EXCHANGE COMPOSITE PRICES

100	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	------

TECHNOLOGY THAT WORKS FOR LIFE

Samsung

4Head Hi-Fi Stereo VCR



Log & Shuttle

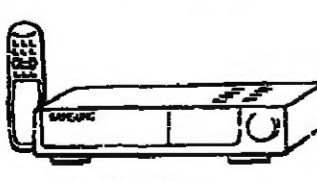
Auto Tracking

SAMSUNG

Electronics

TECHNOLOGY THAT WORKS FOR LIFE

**Samsung**  
4 Head Hi-Fi Stereo VCR



Jog & Shuttle  
Auto Tracking

**SAMSUNG**  
ELECTRONICS

Continued on next page



# Profit-taking sends Dow into retreat

## Wall Street

AFTER four consecutive days of record-breaking gains, US stock markets ran into profit-taking yesterday morning, leaving share prices lower across the board, writes Patrick Horvath in New York.

At 1 pm, the Dow Jones Industrial Average was down 14.81 at 3,600.67. The more volatile based Standard & Poor's 500 was down 1.38 at 454.73, while the Amex composite was 1.11 lower at 447.59, and the Nasdaq composite down 0.91 at 730.05. Trading volume on the NYSE was 122m shares by 1 pm.

Dealers and analysts were not surprised by Monday's early losses. Share prices had ended in positive territory last Friday only because of a late burst of buying tied to the unwinding of stock index options that expired at the close. On the first Monday after options expiration stocks usually fall in early trading as the markets retrace the upward steps taken late on the previous Friday.

Often in such cases early selling peters out quickly, but this was not the case yesterday as investors decided that five days of gains, which had pushed the market's index to four new all-time highs, had left equities looking overbought.

Profit-taking, therefore, was the order of the day. Analysts said that the declines were a natural correction, and did not indicate a shift in underlying sentiment.

Among individual stocks, cyclical were mostly lower. General Electric, which rose sharply last Friday on news of planned layoffs, fell \$1 to 97 1/2 in busy trading. Caterpillar gave up \$1 at \$80 1/2. Interim National Paper slipped \$1 to \$88 1/2 and Minnesota Mining & Manufacturing fell \$1 to \$107 1/2.

Consumer stocks, which fared well last week, suc-

cumbed to profit-taking. Philip Morris dropped \$1 to \$49 1/2. Procter & Gamble gave up \$1 at \$45, and RJR Nabisco eased \$1 to \$56 1/2.

Drug and healthcare stocks, another sector that did well last week, also suffered a reaction. United Healthcare fell \$2 1/2 to \$86, Pfizer dropped \$1 1/2 to \$33 and Bristol-Myers Squibb gave up \$1 at \$56 1/2.

Morgan Stanley climbed \$1 to \$78, a new 52-week high, after the securities house posted record second quarter earnings of \$22m.

Car stocks, which remain in favour with investors following strong quarterly earnings from the big three car manufacturers and buoyant car and truck sales, bucked the trend. Chrysler firmed \$1 to \$41 1/2, Ford added \$1 to \$50 1/2, and General Motors climbed \$1 to \$48 1/2.

On the Nasdaq market, casino stocks were in trouble, with Casino Magic down \$1 1/2 at \$13 1/2 and Grand Casinos down \$1 1/2 at \$20 1/2.

## Canada

TORONTO was slightly higher at midday as gold stocks improved in otherwise quiet trading. The TSE-300 composite index was 3.59 higher at 4,080.87 in volume of 15.96m shares valued at C\$163m. Advancing stocks edged declines, 349 to 347, with 259 issues unchanged.

A recovery in gold stocks helped the market recoup earlier losses; at midsession, the gold and silver index was up 110.53 at 8,488.03.

## SOUTH AFRICA

GOLD shares lost early gains in this afternoon trade as the bullion price slipped. The National Paper slipped \$1 to \$88 1/2 and the industrial index rose 10 to 4,620 and the overall index added 5 to 4,049.

## EUROPE

# Paris pre-empted Buba as bourses consolidate

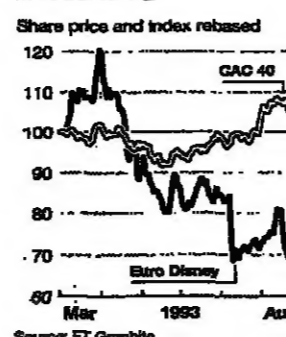
THE consolidation which began towards the end of the week extended, and in some cases deepened yesterday, writes Our Markets Staff.

PARIS paid little heed to the decision by the Bank of France to suspend its 24 hour lending facility, having earlier in the day cut the interest rate by another 50 basis points to 7.75 per cent. However, the more important intervention rate remained unchanged at 6.75 per cent and dealers said that the market would probably see cautious trading ahead of Thursday's Bundesbank council meeting. They said that hopes are for Germany to cut rates by up to 0.5 percentage points, enabling the French to cut rates by some 25 basis points.

The CAC-40 index lost 16.83 to 2,111.37 in turnover of some FF2.4bn.

Euro Disney was off 4 per cent shortly after the opening following negative weekend media comment and confirmation by the group that summer bookings had been weak. Analysts reiterated sell recommendations on the stock and com-

## Euro Disney



Source: FT Graphix

mented that the future of the company was dependent on the refinancing package currently being negotiated. The shares finally closed off 30 centimes at FF156.00, having seen a day's low of FF145.50.

Alcatel Alsthom saw further profit-taking after last Friday's announcement that it had won a South Korean contract, easing FF10 to FF172. Lafarge Coppee lost FF16.50 to FF472.30 on a report that the European Commission might

be about to impose fines on some European cement companies.

FRANKFURT fell faster with the DAX index 34.41, or 1.8 per cent lower at 1,888.27 after dropping 16.30 on Friday from a three year high of 1,938.98. Turnover was DM5.7bn.

Some observers thought that the consolidation could go a lot further; 1,800 was mentioned. But Mr Patrick Bettschneider, head of equity sales at Bank Julius Bär in Frankfurt, and jointly in charge of the trading desk, said that he saw a further 20-point drop as the worst-case scenario.

Mr Bettschneider thought that yesterday's drop was exaggerated by an overhang from the triple options expiry on the Deutsche Terminbörse last Friday. Before the consolidation the bank had seen quite encouraging buying from a number of big institutions, he said; he believes that global investors are still underweight in Germany, and that the DAX will break through its April 1990 all time high of 1,976.43 in the near future.

DB Research, too, said that

## FT-SE Actuaries Share Indices

August 23	August 20	August 19	August 18	August 17	August 16
FT-SE Actuaries 100	1283.00	1284.50	1285.00	1285.40	1285.80
FT-SE Actuaries 200	1375.17	1376.37	1376.75	1377.00	1377.25
FT-SE Actuaries 300	1375.17	1376.37	1376.75	1377.00	1377.25
FT-SE Actuaries 400	1375.17	1376.37	1376.75	1377.00	1377.25
FT-SE Actuaries 500	1375.17	1376.37	1376.75	1377.00	1377.25

See table 1000 (continued) Monday: 100 - 1285.80; 200 - 1377.25; 300 - 1377.25; 400 - 1377.25; 500 - 1377.25

restated their buy recommendation, citing its long-term earnings growth of 20 per cent plus per annum.

MILAN retreated a little from earlier highs further but most brokers said that sentiment remained firm. The Comit index closed 3.00 higher at 618.68.

Italcable featured a 4.3 per cent rise to L10.940 as the issue began to catch up with gains in the telecommunications sector last week. Elsewhere in the sector Sip added L42 to L3,080 and Stet L47 to L4,587.

ZURICH'S SMI index eased 0.7 to 2,467.3 in calm dealings. Brown Boveri continued to face selling pressure after last week's satisfactory first-half

results, falling SF22 to SF896. STOCKHOLM remained weak with profit-taking being noted in the banking sector, down 3.7 per cent on the day. The Affarsvariden general index lost 17.9 to 1,291.6 as turnover remained strong at SKr1.5bn.

Handelsbanken A shares shed SKr2 to SKr146 ahead of today's half year results.

OSLO extended last week's falls, the All-share index losing 11.08 or 1.9 per cent to 562.11 in turnover of Nkr688m. Uni Storbrend, which reported a first half profit of Nkr689m, slightly below expectations, lost Nkr0.20 to Nkr19.30.

Moving east, bourses offered various reactions to the day's consolidation. VIENNA fol-

lowed Frankfurt, but at a discounted level. The ATX index down 13.30, or 1.3 per cent at 1,000.68. ATHENS continued its downward plunge with a 3.63 drop to 663.53 leaving the general index down 7.9 per cent in a week; and WARSAW ignored the trend altogether in price terms as the all-share WIG index leapt 385.3, or 8.4 per cent to record 6,380.6.

## ASIA PACIFIC

# Nikkei average weakens in lowest volume of the year

## Tokyo

TRADING volume was the lowest of the year yesterday as investors remained absent on uncertainty regarding both the future course of the strong yen and the government's policy in reviving the economy, writes Beniko Teramoto in Tokyo.

The Nikkei average slipped 193.12 to 20,414.14, its fifth consecutive decline, having opened at the day's high of 20,595.38 before easing steadily during the session to hit the day's low of 20,384.44 just before the close.

Volume was 139.3m shares, below the previous year's low of 140.7m shares registered on July 5. Declines and advances by 745 to 217, with 194 issues unchanged. The Toxip index of all first section stocks shed 15.01 to 1,644.18 and, in London, the ISE/Nikkei 50 index

softened 1.53 to 1,254.44.

Foreign investors were small-lot buyers, but some banks were seen taking profits on their long-term portfolios ahead of the September mid-term book closing. Dealers were also seen selling as this is the final week for August delivery.

Investors, hoping that the first policy speech in the afternoon by Mr Morihiro Hosokawa, the prime minister, would present measures to boost the economy, were disappointed. Mr Hosokawa expressed concern but failed to map out specific measures.

Meanwhile, the yen once again strengthened on buying by exporters in spite of active intervention by the Bank of Japan. The dollar yesterday closed ¥110 down at ¥103.35.

Fading prospects of a cut in the official discount rate hurt financial issues. Bank of Yoko-

hama, the day's most active issue, lost ¥10 to ¥1,110. Bank of Tokyo fell ¥10 to ¥2,370. Fuji Bank shed ¥60 to ¥2,370.

Telecommunication shares were lower: Nippon Telegraph & Telephone dropped ¥7,000 to ¥936,000 on reports that it might delay the commercialisation of its next-generation communications network. KDD, the international telecom company, fell ¥500 to ¥11,300 on plans for a rate cut in international calls this October.

Ricoh, which was supported last week on its technology for turning copied paper into blank pages, receded ¥7 to ¥808 on profit-taking.

In Osaka, the OSX average declined 197.28 to 2,377.34 in volume of 35.2m shares. Nintendo, the video game maker, went against the trend, rising ¥310 to ¥3,710 on reports that it is developing a new generation of video game hardware.

## Roundup

THE WEEK began with a mixture of profit-taking and record highs in New Zealand and Manila. Bombay was closed for a public holiday.

HONG KONG shed 3 per cent as the banking sector continued to fall back following last week's disappointing results from Hang Seng Bank, down HK\$2 to HK\$55.50. HSBC Holdings, the parent group, also lost HK\$2 to HK\$81.50.

The Hang Seng index slipped 156.94 to 7,388.4, just above the day's low.

Swire Pacific, which reports this week, declined HK\$1.25 to HK\$39 on forecasts of poor results.

SINGAPORE retreated from all-time highs at the close as investors took profits. The Straits Times Industrial index gave up a net 7.78 at 1,964.49,

having seen an intra-day record high of 1,982.39.

Brokers pointed out that Malaysian shares traded over the counter were sold on news that the country's finance minister would make a challenge for the deputy president's post in November.

In KUALA LUMPUR, the reports of the challenge also gave investors an incentive to take profits and the composite index eased 0.25 to 805.28 in volume of 365.4m shares.

NEW ZEALAND continued its rally, the NZSE-40 capital index finishing at its highest level since January 1990. Among the actives, Carter Holt Harvey advanced 7 cents to NZ\$3.49 and Briley Investments 5 cents to NZ\$1.18. The index gained 8.85 at 2,027.37 in turnover of NZ\$60.1m.

Fletcher Challenge met renewed profit-taking, easing 4 cents to NZ\$3.66, but the shares still remain 22 per cent up following the good results last week.

AUSTRALIA was moderately firmer as many investors consolidated positions after last week's strong gains.

The All Ordinaries index closed 5.7 higher at 1,832.18 in turnover of A\$391.4m.

Strong buy orders from Hong Kong lifted BHP 14 cents to A\$15.50. News Corp, which reports tomorrow, added 10 cents to A\$9.30.

MANILA rose to record levels again, led by Philippine Long Distance Telephone, which climbed 25 pesos to 1,190 pesos. The composite index put on 30.29 at 1,783.50 in turnover of 42m pesos.

SEOUL was easier as profit-taking was seen among large-capitalisation issues. The composite index finished 7.33 down at 727.06 in turnover of Won\$09.9bn.

# Decline in Japan slows World Index

## MARKETS IN PERSPECTIVE

	% change in local currency			% change sterling	% change in US \$
	1 Week	4 Weeks	1 Year	Start of 1993	Start of 1993
Austria	+0.41	+5.43	+30.58	+26.11	+20.78
Belgium	-0.58	+2.16	+24.04	+21.07	+13.10
Denmark	+3.47	+11.10	+23.07	+33.08	+22.28
Finland	+1.89	+19.50	+15.45	+14.22	+66.04
France	+3.70	+12.31	+32.71	+17.71	+11.52
Germany	+0.81	+4.35	+25.45	+24.09	+19.86
Ireland	+1.13	+8.48	+40.47	+45.79	+26.59
Italy	+4.80	+12.02	+73.11	+51.52	+40.87
Netherlands	+1.14	+6.10	+26.87	+23.25	+19.81
Norway	-2.93	+10.34	+32.80	+33.21	+25.96
Spain	+3.70	+12.31	+32.71	+18.73	+15.70
Sweden	+0.11	+10.86	+60.25	+29.62	+15.17
Switzerland	+0.31	+4.63	+39.70	+20.40	+19.82
UK	+1.43	+8.28	+33.43	+9.45	+9.23
EUROPE	+1.10	+7.58	+33.73	+18.77	+15.00
Australia	+3.20	+5.48	+18.53	+19.27	+17.47
Hong Kong	+1.61	+8.82	+31.92	+34.74	+34.86
Japan	-1.39	+3.11	+41.18	+25.70	+39.59
Malaysia	+4.09	+3.26	+70.09	+40.63	+44.39
New Zealand	+3.99	+18.97	+41.52	+35.45	+34.06
Singapore	+4.11	+10.23	+54.36	+29.55	+32.02
Canada	+1.40	+6.32	+10.57	+13.86	+9.53
USA	+0.00	+0.00	+0.00	+0.00	+0.00
Mexico	+5.43	+12.35	+28.81	+3.43	+3.73
South Africa	+1.70	+0.67	+29.53	+28.59	+34.55
WORLD INDEX	+0.50	+3.98	+29.28	+15.00	+20.17
					+19.24

† Based on August 20th, 1993. Copyright: The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Limited.

## By William Cochrane

At one point last week, five Pacific Rim equity markets, three senior bourses in Europe, Wall Street in the US and London in the UK, were all hitting 1993 highs; yet the FT-Actuaries World Index ended the week with a rise of just 0.5 per cent.

Some high-profile investment destinations, such as Germany, France, the UK and Hong Kong, saw profit-taking last Friday; but Japan was the real drag on the World Index with a fall of 1.4 per cent in local currency terms.

Nomura's global strategy team in London, headed by Mr Nicholas Knight, put out a sell recommendation on Japanese equities last week, noting that the market at that point was still 46 per cent higher than it was a year earlier.

Given that, say the team, the key priority now may be the wish to avoid a repetition of the "bubble" economy of the mid to late 1980s; the authorities may seek to reflect the economy to the exclusion of

the stock market, and a "wall of money" might come out of Japan to cap the rising yen.

Opinions are divided on whether Japanese money has been feeding gains elsewhere on the Pacific Rim. Mr David Bates at Asia Equity says his clients have been thinking positively after a bullish National Day in Singapore. Malaysia expected to produce a repeat performance at the end of this month, and Hong Kong moving from exuberance to caution - the latter over China worries and the Hang Seng Bank results - at the end of last week.

However, Ms Pauline Matkinson at Ord Minnett thinks that New Zealand, certainly, must have seen some new sources of funds as turnover boomed last week, and its World Index constituent index climbed by a heady 9.7 per cent. Fletcher Challenge lit the touch paper with results better than market expectations, indicating that forestry returns had touched bottom, and with its plans for a separate vehicle for its forestry assets.

## Notice of Redemption

### INDUSTRIAL BANK OF FINLAND LTD

ECU 60,000,000 9% Bonds due 1995

Notice is hereby given that pursuant to section 5 (a) of the Terms and Conditions of the Bonds, Industrial Bank of Finland Ltd will redeem on October 1, 1993 nominal ECU 12,000,000 of the outstanding Bonds at par.

The issuer having purchased in the market Bonds for a nominal amount of ECU 6,944,000 pursuant to section 5 (b) of the Bonds, the Fiscal Agent has drawn ECU 5,156,000 nominal of the Bonds for redemption pursuant to section 5 (b).

Serial numbers of the drawn bonds are as follows:

1) Bonds denominated in amounts of ECU 1,000
5541 - 7570
7572 - 7676
7678 - 8416
8418 - 8525
8527 - 8593
8595 - 8605
8607 - 9218
9220 - 9481

2) Bonds denominated in amounts of ECU 10,000

384 - 395
397 - 398
399 - 399
400 - 400
401 - 401
402 - 402
403 - 403
404 - 404
405 - 405
406 - 406

ECU 24,000,000 nominal amount of the Bonds will remain outstanding after October 1, 1993.

Payment will be made upon surrender of the Bonds, together with all Coupons maturing after the date fixed for redemption, at the offices of the Paying Agents as shown on the Bonds.

Bonds should be surrendered for payment together with all unremitted Coupons, appertaining thereto, failing which the face amount of the missing unremitted Coupons will be deducted from the principal amount due for payment.

BANQUE GENERALE DU LUXEMBOURG

Fiscal Agent

# DOING BUSINESS IN RUSSIA?

Save time, effort and money at the start

All foreign companies wishing to conduct business in Russia need to register there. In Moscow, registration is handled by the Moscow Registration Chamber. Fortunately, this process can be relatively quick and easy, thanks to Financial Izvestia which is now offering the Moscow Registration Chamber's own Guide to Registering Companies in Moscow. Written in English and in collaboration with the international law firm, Salans Hertzfeld & Heilbronn, this invaluable Guide

- Enables you to select the most suitable legal structure for an enterprise
- Supplies checklists so you avoid common mistakes when registering
- Provides sample registration forms and letters to obtain the relevant authorisations
- Lists addresses and contact details of key agencies in Moscow

Much of this information is simply unavailable elsewhere and will be of real practical everyday use to anyone intending to do business in Russia, as well as legal, financial, accounting and other advisors.

The Guide to Registering Companies in Moscow is available exclusively from Financial Izvestia - to order your copy, see below.

FINANCIAL IZVESTIA

Financial Izvestia is a weekly business newspaper, produced by the Financial Times in partnership with Izvestia, Russia's leading quality daily.

Published for Financial Izvestia by FT Business Enterprises Ltd. Registered Office: Number One Southwark Bridge Road, London SE1 1TA. Registered in England No. 980065.

## REGISTERING COMPANIES IN MOSCOW

Please return to (mail order only): FT Customer Services, PO Box 9, Colchester, Essex CO1 1JL. Tel: +44 (0) 209 612493 Fax: +44 (0) 209 612811

Sales enquiries: +44 (0) 209 711928 Editorial and Marketing enquiries: +44 (0) 71 814 9778

NAME TITLE

COMPANY ADDRESS

POSTCODE COUNTRY

Office Use Only: Title, Qty, UK Price, Overseas Price

ICM95 Registering Companies in Moscow 000 £24.95/US\$38

PAYMENT Please note that payment must accompany order. Price includes p & p.

Please tick as required: I enclose cheque for the value of £/US\$ I enclose a UK bank and credit transfer to FT Business Enterprises

Please debit my credit card: ☐ VISA ☐ M/C ☐ A/M ☐ D/C

Card Number

CARD EXPIRY DATE

SIGNATURE DATE

Companies in EC member states (excluding the UK) must supply VNT identifying number (VAT/WTW/IRMS/IRMS/IRMS/IRMS)

2 types of order: The information you provide will be held by us and may be used by us for marketing purposes and to inform you of our products and services. You may opt out of this at any time by contacting us.

Copyright: The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Limited. 1997

Latest prices were unavailable for this edition. Name change: Charter Cars to Charter (UK).

هنگامی که